uMLALAZI MUNICIPALITY

BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) COMMENCING IN 2015/2016

28 MAY 2015

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ABBREVIATIONS AND ACRONYMS

COGTA	**-**	**Co-Operative Governance and Traditional Affairs**
CPI	**-**	**Consumer Price Index**
DORA	**-**	**Division of Revenue Act**
GRAP	**-**	**Generally Recognised Accounting Practice**
IBT	**-**	**Inclining Block Tariff**
IDP	**-**	**Integrated Development Plan**
KDS	**-**	**King Dinuzulu Suburb**
KWH	**-**	**Kilowatt Hour**
LED	**-**	**Local Economic Development**
LG	**-**	**Local Government**
MIG	**-**	**Municipal Infrastructure Grant**
MFMA	**-**	**Municipal Finance Management Act**
MPRA	**-**	**Municipal Property Rates Act**
MSIG	**-**	**Municipal Systems Improvement Grant**
MTREF	**-**	**Medium Term Revenue and Expenditure Framework**
NERSA	**-**	**National Electricity Regulator of South Africa**
PMU	**-**	**Project Management Unit**
PPE	**-**	**Property Plant and Equipment**
SALGA	**-**	**South African Local Government Association**
SALGBC	**-**	**South African Local Government Bargaining Council**
SDBIP	**-**	**Service Delivery and Budget Implementation Plan**

1. MAYORS' REPORT

MAYOR'S REPORT

2015/2016 BUDGET PRESENTATION BY HIS WORSHIP THE MAYOR COUNCILLOR TB ZULU AT THE UMLALAZI COUNCIL MEETING HELD IN THE ESHOWE COUNCIL CHAMBERS ON THURSDAY, 28 MAY 2015.

Madame Speaker, Councillors, Officials and members of the public I wish to present an overview of the Budget and Medium Term Revenue and Expenditure Framework (MTREF) starting in 2015/2016, for the uMlalazi Municipality. The Budget and MTREF has been compiled in terms of the provisions of the Local Government: Municipal Finance Management Act, MFMA circulars 74 and 75, as well as the MFMA Budget and Reporting Regulations.

The 2015 Budget Review notes that the global economic outlook has weakened and the pattern of slow growth is likely to persist, with consequences for all developing economies. South Africa's gross domestic product (GDP) forecast for 2015 has also been revised down. The National Treasury projects GDP growth of 2 per cent in 2015, rising to 3 per cent by 2017. Average growth over the forecast period is 0.4 percentage points lower than at the time of the 2014 *Medium Term Budget Policy Statement.* Inadequate electricity supply,however, will impose a serious constraint on output and exports over the short term.

Madam Speaker as I present this 2015/16 MTREF budget, it is important to note and take cognizance of the challenges that are currently facing our country as well as our region. As a local municipality within this country, we are not immune to the challenges facing South Africa as well our district. Among these challenges are:

1. Shortage of electricity supply due to backlog in infrastructure
2. Shortage of water due to drought and insufficient rain resulting in low water levels in dams
3. Shortage of housing as well a number of our people living in informal settlements which deprives them of their dignity in light human rights as enshrined in the constitution
4. An ongoing quest for clean administration and governance
5. Significantly high levels poverty and unemployment
6. Service delivery protests and Xenophobic attacks to foreign nationals

Madame Speaker, in this 2015-16 Medium Term Revenue and Expenditure Framework, we respond to these challenges as follows:

1.1 A budget for electrification program which is mainly rural areas amounting to R8 million in 2015/16 and R29 million for the rest of the MTREF. It must be noted, Madame Speaker, that as we make strides into these programs, we are also responding to one of the resolutions of the Freedom Charter which states that there shall be housing, security and ***comfort.*** This comfort can only be achieved if our people have access to electricity which makes daily life easier and comfortable. We are reflecting this expenditure under general expenses because the infrastructure asset generated would be transferred to Eskom for ownership and maintenance. Ours is to implement the projects so that our people's lives are better going forward.

1.2 Whilst there is little we can do around the water problem as we are not a water services authority since that function has been allocated to the district municipality, we've had to allocate budget in dealing with the consequences of this challenge. An amount of R350,000 was set aside to investigate the possibility of water supply being reticulated such that it goes via reservoir tankers which would allow municipality to continue operations during water cuts. This would ensure continuity of operations and cut down on unnecessary overtime being incurred during water disruptions. In this ending financial year Madame Speaker, the Engineering Department has concluded the procurement of 6 Jojo Tanks to be installed in major sites of the municipality.

1.3 Madame Speaker, again, in response to Freedom Charter resolutions which said, there shall be ***housing***, security and comfort***,*** we continue as this municipality to provide housing to our communities in partnership with the department of human settlements. I am pleased to re-iterate that in the 2014/15 adjustments budget Madame Speaker, we allocated just over R1.5 million in purchasing temporary housing structures for the community of Maqedipleti in ward 12. This is to provide them with a dignified form of accommodation whilst Phase 2 of housing in Sunnydale is underway. In doing this Madame Speaker, we are hitting two birds with one stone as we are giving our people a more dignified form of shelter whilst making way for the development of a shopping mall due to take place in the same area next to Siza garage. These temporary structures become the asset of a municipality which can be used in future in response to disasters and slums clearance. The administration is currently procuring the necessary infrastructure for these temporary houses to be connected with electricity.

1.4 Madame Speaker, our government took a serious stance towards clean administration and this has seen a number of municipalities in this province getting a clean audit. In presenting the audit report in this council chamber January this year, the office of the auditor general did mention that we are very close to obtaining a clean audit. In this 2015/16 budget Madame Speaker, we have allocated budget to address some of the critical issues that will assist in at least maintaining an unqualified audit opinion as we still make strides towards clean audit. These critical issues include:

- Half a million being allocated to preparation of a GRAP (Generally Recognised Accounting Practice) compliant Fixed Assets Register and asset management as a whole. This is critical as this municipality has assets valued over half a billion reflected in its balance sheet. It must be noted Madam Speaker that this is a balance of the R1.6 million spent on this project which commenced in 2014/15 which saw the movable assets of the municipality being tagged and an asset register produced as well as BAUD System being installed to be used in administrating fixed assets of the municipality.
- Over R1.1 million allocated to Internal Audit in 2015/16 equating to over R3.7 million over the MTREF

1.5 Madame Speaker, in response to poverty and unemployment, we have done the following provisions in the 2015/16 budget as well as the rest of the MTREF:

- R1.5 million under work creation projects equating to just over R4 million in the whole MTREF
- R3.2 million in poverty alleviation equating to just over R9.6 million over the MTREF
- R3 million in Expanded Public Works Program per contract I signed with Department of public works
- Half a million for employment of five financial interns equating to over R1.5 million over the MTREF. It must be noted Madame Speaker that whilst on two year internship contract, they undergo training on Municipal Finance Management Program that helps them to meet Minimum Competencies as prescribed by National Treasury. As a result they get both practical and academic components of the necessary knowledge that makes them more employable. Training expenditure is over and above the R500,000 specifically for stipends.

Madame Speaker, these programs will result in over 480 job opportunities being created by uMlalazi Municipality in 2015/16 financial year and way more over the MTREF. We are responding directly to the Freedom Charter which said there shall be work and security.

1.6 Madame Speaker, apart from the job opportunities we create from the abovementioned programs, we are also making strides in Local Economic Development to allow some citizens to fight poverty by participating in the informal economy. It is for this reason Madame Speaker that we have made following provisions in the 2015/16 MTREF:

- R2.5 million has been allocated to Local Economic Development of which R1.8 million is capital expenditure that includes erection of stalls that will see our towns informal economy being well managed and administrated. At the same time our people get opportunities to participate in the economy under decent conditions.
- Over R1.5 million was allocated in this ending financial year 2014/15 for relocation of 40 families of Maqedipuleti area to make way for over R22 million development of a shopping mall which will contribute positively in local economy of the municipality and create job opportunities

1.7 Madame Speaker, we have seen a number of protests taking place in various communities within the country. Even on our own municipality we have had some protests. It must be noted Madame Speaker that in our municipality most of the issues that were raised on these protests had more to do with water, electricity and housing which are issues outside our mandate. The Government has identified that one of the reasons for protests is the poor communication of the services that government provides to the citizens. It is for this reason Madame Speaker that we have allocated a budget of R1.5 million for communications. We did this in an endeavour to align with government stance and Munimec resolution that said at least 1% of the operating budget should be allocated to communications. In addition to that, among the 51 critical positions, there is a position of communications manager. This is an indication that uMlalazi Municipality is embracing government stance on communications.

1.8 Madame Speaker, we are not immune to the problem of Xenophobic attacks on our foreign nationals. Even though we were fortunate that we have not had serious incidents of this nature in our municipality, we do need to be proactive and conscious of this phenomenon. It is for this reason Madame Speaker that we have in this budget sponsored an Event organized by Eshowe Festival and Heritage Association by an amount of R85,000 once off. Administration will work closely with them to ensure that it achieves the desired objectives of social cohesion among the diverse demographics of both South Africans as well as foreign nationals. In addition to that Madame Speaker, the festival would also contribute to the local economic development of the town as some attendees will be coming from outside our municipality and will then spend some money in our malls and accommodation facilities.

1.9 Madame Speaker, whilst on social cohesion, the government has identified sport as an integral part of social cohesion in our people. This was followed by a promulgation in the Division of Revenue Act (DORA) Bill that at least 15% of MIG should be spent on Sports Infrastructure. We have battled to adhere to this in the past years due to backlog we have in roads infrastructure. We have however, in this 2015/16 budget allocated R8.5 million which equates to just over 20% of MIG to sports infrastructure. This allocation will see udedangendlale wenkundla yezemidlalo KwaBulawayo in Ward 25. The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost. It is for this reason Madame Speaker that we have made every effort in the MTREF Budget to keep our tariff increases within the inflation as forecasted by National Treasury as it will be a futile exercise for municipality to impose tariffs that will obviously not be affordable to the consumers thus resulting in debt that will never be collected.

The Budget tabled today is in line with National priorities:

- Creation of decent employment opportunities
- Infrastructure development such as:

  - Roads (Rural & Urban)
  - Electricity
  - Local economic development

I would like to request administration not to employ people without any reference to the level of staffing required to deliver effective services, effect remuneration increases associated with bargaining council decisions and what is financially sustainable over the medium term. The municipality ought to focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Expanded Public Works Programme where an allocation of R3 million has been made in this budget; and
- Implementing interns programmes to provide young people with on the job training using R1.6 million Finance Management Grant provided by National Treasury per 2015/2016 DORA (Division of Revenue Act) promulgation.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- R2,5 million from the equitable share is allocated for LED projects;
- R5,8 million from the equitable share is allocated for work creation projects, of which the largest is R3.2 million for Waste Removal in the rural areas.
- The Council has appointed four financial interns.

Capital Budget

The following guidelines were applied in order to valuate and prioritize the capital projects:

- In line with the Council's revised IDP
- Carryover of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The capital for department's budget growth is **76.91**per cent.

The components of the capital budget over the medium term are as follows:

DESCRIPTION	AMOUNT (R)
Department's requirements	33.8 million
MIG Projects	38.5 million
TOTAL	**72.3 million**

Madame Speaker, I would like to highlight where the budget is provided for the following:

DESCRIPTION	AMOUNT (R)
Mayor's Parlour Upgrade	3.7 million
Storm Water Upgrade	1.3 million
Urban Roads Rehabilitation	5.4 million
Gingindlovu Community Hall	2.1 million
Refuse Transfer Station- Gingindlovu	1 million
Transformer Upgrade	1.2 million
Standby Generator for Offices	1 million
MIG: Urban Projects	29.6 million
MIG: Rural Projects	18.4 million

The Capital Budget is funded as follows over the medium term:

DESCRIPTION	AMOUNT (R)
Equitable Share Grant	25.9 million
Municipal Infrastructure Grant	38.5 million
Own Funds	7.9 million
TOTAL	**72.3 million**

Operating Budget

Operating Revenue Framework

The municipality is budgeting for revenue of R285.8 million of which the detail revenue sources are reflected in the executive summary of the budget document.

The proposed tariff increases for the 2015/2016 MTREF on the different revenue categories are:

Property Rates	8.5% ave decrease
Solid Waste	5.8%
Electricity	12.69%
Sundry	5.8%

It is important to note that R93.6 million of the equitable share grant is allocated to subsidize the different tariffs in the operating revenue budget.

Grants and subsidies has increased by R10.3 million and is now 51% of the total operating budget. This ratio needs to be closely monitored as continuous increase will ultimately result in our municipality being grant dependent. I implore administration together with oversight structures to explore other innovative ways to enhance revenue in order to maintain a reasonable balance between government grants and municipality's own generated revenue.

Equitable Share Grant

In terms of the division of the revenue bill, , the Council will receive the following amounts as it's equitable share grant from National Treasury, for the next three years:

2015/2016	-	R145.5 million
2016/2017	-	R148.1 million
2017/2018	-	R145.9 million

The suggested detail allocations of the amount for the 2015/2016 budget year, are set out in the recommendations of the agenda item.

The extreme moderate and well deliberated rates and services tariff increases, should be welcomed by all communities and serve as an indication that Council is more than aware of the need to compassionately accommodate our people. The millions of rands being poured into our rural communities for varied activities which include R9.5 million rural road maintenance by use of a leased grader amounting to over R30 million in the MTREF. Also, we have spent significant amount of Municipal Infrastructure Grant (MIG) in construction of roads, causeways, and crèches and sports fields in our rural wards. This is a further commendable effort by Council to show our people that we are serious in attending to their needs.

All current grants, rates rebates, free electricity and free refuse charges will remain in force to the benefit of those people, receiving such benefits.

The first president of the democratic South Africa, Dr Nelson Rolihlahla Mandela said, **"There is no passion to be found playing small – in settling for a life that is less than the one you are capable of living."** Madame Speaker, as I present this 2015/16 MTREF budget, I take cognizance of the fact that we are celebrating 21 years of freedom in our country and we can all acknowledge that a lot has been achieved in the past two decades. And, as the president of the Republic has put it, 'we have a good story to tell'. However, we need not be complacent but, rather strive to achieve more as we are capable of doing so.

I want to stress that citizens will mostly benefit if everyone is compassionate in ensuring that they excel in what they do. Management must manage effectively whilst Councillors play their oversight role effectively. The citizens sympathy is determined by the extent to which municipal officials, business chambers and community organisations have a common understanding of our community's problems, challenges and opportunities to develop.

I therefore would like to encourage all key stakeholders in our community to focus on forming a partnership with the uMlalazi Municipality, especially on the field of Local Economic Development.

Madame Speaker, I would like to take this opportunity to express my gratitude and appreciation to the following people:

- The Municipal Manager, Directors and staff of the various departments, for their inputs in the budget;
- The community in the municipal area for their support and co-operation, to make our municipality a pleasant area to stay in.
- Office-Bearers i.e. Deputy Mayor, Speaker and Chief Whip for the role in the governance structures of the municipality
- Executive Committee Members whom I'm pleased they are now all full time. I appreciate your tireless efforts in assisting management to take this municipality forward by your participation in monthly Exco as well as leading in your respective portfolio committees. I have no doubt you will continue to do so in the future.
- All Ward Councillors who are at the cold face of service delivery in their respective wards as well as for their inputs at the budget consultation meetings.
- All the PR Councillors for the role they play in assisting ward councillors as well as participation in council meetings and various portfolio committees where they serve.
- Ngibonge nawo onke Amakhosi aseNdlunkulu eholwa Inkosi uNzwakele njengoSihlalo wesifunda sasoThungulu seNdlu yabaHoli boMdabu.

I accordingly table the budget and Medium Term Revenue and Expenditure Framework commencing in 2015/2016 as detailed in the document with recommendations 1 to 10 for final adoption by Council.

I thank you.

2. BUDGET RELATED RESOLUTIONS

RECOMMENDED

			Page
1.	That the annual budget of the municipality for the financial year 2015/2016; and indicative for the two projected outer years 2016/2017 and 2017/2018 be approved as set-out in the following schedules:		
	1.1	**Budget Summary** (Financial Performance, Capital Expenditure and Fund sources, Financial Position, Cash Flows & Asset Management) **Table A1**	**26**
	1.2	**Budgeted Financial Performance** (Revenue and Expenditure by Standard classification) **Table A2**	**27**
	1.3	**Budgeted Financial Performance** (Revenue and Expenditure by Municipal Vote) **Table A3**	**28**
	1.4	**Budgeted Financial Performance** (Revenue and Expenditure) **Table A4**	**29**
	1.5	**Budgeted Capital expenditure** by Vote, Standard classification and funding-**Table A5**	**32**
2.	That the financial position, cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery measurements are adopted as set out in the following tables:		
	2.1	**Budgeted Financial Position-A6**	**34**
	2.2	**Budgeted Cash Flows – Table A7**	**35**
	2.3	**Cash backed reserves & accumulated surplus reconciliation Table A8**	**36**
	2.4	**Asset Management- Table A9**	**37**
	2.5	**Basic Service Delivery Measurement-Table A10**	**39**

3. That the amendments to the budget related policies be approved.

4. That the Asset Management and Investment and cash management policies be approved.

5. That the budget funding and tariffs be approved.

6. That the due date for the agreed annual single rates payment as prescribed by Section 26(2) (a) of the Local Government Municipal Property Rates Act 6 of 2004 be determined to be 30 September 2015.

7. That the allocations of the Equitable Share Grant over the MTREF period be approved as follows:

DETAILS	BUDGET 2015/2016	BUDGET 2016/2017	BUDGET 2017/2018
International relations	100 000	100 000	100 000
Land use management system (Rural)	1 000 000	-	-
Care taking: rural buildings	300 000	450 000	500 000
Youth development	840 000	550 000	600 000
Early childhood development	350 000	400 000	400 000
Community support programme	450 000	350 000	350 000
Local economic development (LED)	695 000	2 600 000	2 000 000
Youth business advisory centre	200 000	250 000	300 000
Ceremonial events	110 000	120 000	130 000
Commemorative celebrations	120 000	130 000	140 000
Rates relief	71 744 100	74 725 400	82 061 730
Depreciation on assets contribution	6 859 630	7 230 050	7 620 470
Poverty alleviation	3 241 800	3 200 000	3 000 000
Ward committee expenses	1 000 000	1 000 000	1 000 000
Councillor's remuneration	9 391 000	9 822 000	10 260 000
Animal pound facility	597 840	636 700	678 080
Rural fire prevention	350 000	400 000	450 000
Disaster assistance	700 000	750 000	800 000
Humanitarian assistance	800 000	800 000	850 000
Sport development	1 300 000	1 300 000	1 300 000
Cultural development	550 000	200 000	200 000
Special programmes	550 000	550 000	600 000
Operation Sukuma Sakhe	350 000	400 000	450 000
Local Aids Council	500 000	550 000	600 000
Work creation projects	1 454 000	1 300 000	1 300 000
Sports fields - security	339 780	356 770	374 610
Rural grounds maintenance	300 000	300 000	300 000
Rural roads: Grader programme	9 504 230	10 326 960	9 286 180
Free refuse	1 650 170	1 703 530	1 793 810
Solid waste relief	2 619 420	2 760 870	2 909 960
Free electricity	1 336 130	1 415 700	1 500 880
Replacement of conventional electricity meters	0	300 000	150 000
Electricity metering audit	300 000	300 000	300 000
Capital projects contribution	25 933 900	22 868 020	13 642 280
	145 537 000	**148 146 000**	**145 948 000**

8. That in terms of Section 17 (3) (k) of the Local Government: Municipal Finance Management Act, (No. 56 of 2003), that the proposed cost to council of salary, allowances and benefits of Councillors and Senior officials be noted.

9. That the application for funding of R85 000 from the Eshowe Heritage festival association be supported.

10. That the Service delivery and budget implementation plan (SDBIP) tabled together with the measurable performance objectives per vote be approved.

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were received as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people led government.

The budget/IDP process occurred according to the budget timetable approved by Council on 28 August 2014. This ensured compliance with the LG: MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 74, Circular No.75 and the LG:MFMA Budget Formats Guide received from National Treasury.

The main challenges experienced during the compilation of the 2015/2016 Budget and MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Ageing roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects-original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2015/2016 budget and MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2015/2016 Budget and MTREF:

- The 2014/2015 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/2016 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/2016 Budget and Medium-term Revenue and Expenditure Framework:

3.1 Consolidated Overview of the 2015/2016 Budget and MTREF

Details	Adjustments Budget 2014/2015 (R)	Budget Year 2015/2016 (R)	Budget Year 2016/2017 (R)	Budget Year 2017/2018 (R)
Total operating revenue	310 681 240	350 277 410	362 310 080	37 840 9360
Total operating expenditure	281 688 570	317 056 630	331 790 000	356 950 320
(Surplus)/Deficit for the year	(28 992 670)	(33 220 780)	(30 520 080)	(21 459 040)
Total Capital Expenditure	75 882 720	72 363 900	67 736 660	61 248 280

Total operating revenue has grown by **12.75** per cent or **R39 596 170** for the 2015/2016 financial year when compared to the 2014/2015 Adjustments Budget. For the two outer years, operational revenue will increase by **3.44** and **4.45** per cent respectively, equating to a total revenue growth of **R67 728 120** over the MTREF when compared to the 2014/2015 financial year.

Total operating expenditure for the 2015/2016 financial year has been appropriated at **R317 056 630** and translates into a budgeted surplus of **R33 220 780**. When compared to the 2014/2015 Adjustments Budget, operational expenditure has grown by **12.56** per cent in the 2015/2016 budget and by **4.65** and **7.59** per cent for each of the respective outer years of the MTREF.

The capital budget of **R72 363 900** for 2015/2016 is **3.32** per cent less when compared to the 2014/2015 Adjustments Budget. The capital budget is mainly funded from Government grants over the MTREF.

3.2 Operating Revenue Framework

For uMlalazi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policy of the Municipality.

The following table is a summary of the 2015/2016 Budget and MTREF (classified by main revenue source):

3.2.1 Summary of revenue classified by main revenue source

Description	Current Year 2014/2015			Medium Term Revenue and Expenditure Framework		
(R) Thousands	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2015/2016 (R)	Budget Year 2016/2017 (R)	Budget Year 2017/2018 (R)
Revenue by Source						
Property rates	34 456	33 466	33 466	41 997	44 171	46 604
Property rates-penalties & collection charges	581	710	710	751	792	834
Service charges- electricity revenue	55 050	54 590	54 590	58 352	65 861	72 922
Service charges- refuse revenue	10 077	10 092	10 092	10 826	11 422	11 976
Rental of facilities and equipment	1 373	1 389	1 389	1 470	1 551	1 634
Interest earned-external investments	2 600	4 043	4 043	4 055	4 116	4 178
Interest earned-outstanding debtors	150	203	203	374	394	415
Fines	3 124	23 697	23 697	23 808	23 920	24 032
Licences and permits	3 645	3 403	3 403	3 600	3 798	3 999
Transfers recognized – operational	119 852	127 353	127 353	137 720	140 471	152 854
Other revenue	3 098	2 914	2 914	2 214	2 855	2 972
Gains on disposal of PPE	100	100	100	120	130	140
Total revenue (excluding capital transfers and contributions)	**234 106**	**261 960**	**261 960**	**285 814**	**299 481**	**322 561**

In line with the formats prescribed by the Municipal Budget and reporting regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. In the 2014/2015 financial year, revenue from rates and services charges totaled **R98 858 000** or **31.82** per cent. This increases to **R111 926 000, R122 246 000** and **R132 336 000** in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from **39.11** per cent in 2015/2016 to **41.12** per cent in 2017/2018.

Property rates is the third largest revenue source totaling **14.94** per cent or **R42 748 000** and increases to **R47 438 000** by 2017/2018.

Operating grants and transfers is the largest revenue source totaling **R137 720 000** in the 2014/2015 financial year and steadily increases to **R152 854 000** by 2017/2018. Note that the year-on-year growth for the 2015/2016 financial year is **8.14** per cent and then increases by **1.78** and **9.05** per cent in the two outer years. The following tables gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

3.2.2 Operating transfers and grants receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2015/16**	**Budget Year +1 2016/17**	**Budget Year +2 2017/18**
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**65 020**	**88 127**	**94 303**	**115 853**	**122 347**	**122 347**	**134 770**	**136 460**	**147 639**
Local Government Equitable Share	60 650	76 090	82 861	103 047	102 939	102 939	119 603	125 278	132 306
Municipal Systems Improvement	1 340	800	890	834	934	934	930	957	1 033
Finance Management	1 323	1 500	1 550	1 600	1 249	1 249	1 600	1 625	1 700
Integrated National Electrification Programme		8 130	7 380	7 000	14 490	14 490	8 000	8 000	13 000
EPWP Incentive		981	1 019	2 172	2 157	2 157	3 037		
PT: Greenest Municipality	291	97	22		–	–			
COGTA: Groundnut activities	512								
COGTA: Establishment of pound grant	4								
Information signs: Tourism R66		4							
Project Management Unit (MIG Projects)	900	526	582	1 200	580	580	600	600	600
Provincial Government:	**4 128**	**2 088**	**3 294**	**3 411**	**5 006**	**5 006**	**3 950**	**4 011**	**4 215**
Health subsidy	2 576	201			–				
Museum Subsidy	125	134	143	299	460	460	506	557	587
PT: Provincialisation of Libraries	1 237	1 298	2 726	2 840	2 840	2 840	2 933	3 088	3 243
Library:Cyber Cadet KDS GR50	190	204	366	272	458	458	361	366	385
Housing		251	58		1 098	1 098			
Sport and recreation					150	150	150		
District Municipality:	**626**	**483**	**483**	**589**	**–**	**–**	**–**	**–**	**–**
Uthungulu District Grant: Salary Claims	626	483	483	589		–			
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Operating Transfers and Grants	**69 774**	**90 698**	**98 080**	**119 852**	**127 353**	**127 353**	**137 720**	**140 471**	**152 854**

3.3 Tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the **6** per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariff is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs are largely outside the control of the municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by their operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows:

3.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R85 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:
  <u>40 per cent rebate</u>

  (i) A single person receiving a total income of **R6 020** per month or less
  (ii) A married couple receiving a joint monthly income of **R7 510** per month or less
  <u>20 per cent rebate</u>

  (i) A single person receiving a total income of **R6 021** per month or more
  (ii) A married couple receiving a joint monthly income of **R7 511** per month or more

  In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
  - The property must be categorized as residential.

- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non payment and increased bad debts.

The council at its meeting held on 29 May 2012, resolved to grant a **20%** discount to ratepayers that makes a single rates payment at the end of September of each year.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/2016 financial year contained below:

Category	2014/2015 (c/R)	2015/2016 (c/R)	% decrease
Residential	1.240	0.9341	24.67%
Commercial and Industrial	1.240	1.1677	5.83%
State and Education	1.240	1.1677	5.83%
Municipal	1.240	0.9341	24.67%
Mining	2.480	1.8683	24.67%
Agricultural and PSI	0.309	0.2335	24.4%
Vacant Land	1.240	1.8683	Increase 50.67%

The differential rating idea came about upon studying different rating methods applied across the country. The workshops conducted by COGTA have indicated that this is the best international practice. Emphasis is made on the fact that internationally, businesses contribute a little bit more to the coffers of the Municipality because they are able to pass the on the burden of rates to their consumers whereas the residential consumers are not in this position. Further to this, any expenditure incurred is tax deductible for businesses whereas for residential customers it is not the case. When calculating the different randages, the effect on each customers account has been taken into account; even though different randages were applied, the overall result is the reduction in the randage, even for businesses.

A punitive tariff has been introduced for all vacant undeveloped properties within the boundaries of the Municipality. The main reason for this is to encourage all owners of these properties to develop as soon as possible. Council loses revenue on all undeveloped land.

The newly appointed service provider has completed the third round of re-valuation of properties in the uMlalazi municipal area. The basket of valuations has increased, therefore the decrease in tariffs.

3.3.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An **14.24** per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by **12.69** per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

It should further be noted that NERSA has advised that a stepped tariff structure be implemented for residential consumers from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines. Owing to the high increases in Eskom bulk tariffs, it is clearly not possible to fund these necessary upgrades through increase in the municipal electricity tariff-as the resultant tariff increases would be unaffordable for the consumers. As part of the 2015/2016 medium term upgrading programme, funding of **R3 713 000** from the Equitable Share Grant has been allocated to electricity infrastructure.

3.3.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is subsidized with an allocation from the equitable share grant of **R2 619 420** Without this subsidy, the solid waste removal service will operate at a deficit. The main contributors to the high operational cost are cost of remuneration, bin liners, repairs and maintenance on vehicles, increases in fuel and solid waste contracts.

The municipality have implemented and monitor a recycling program in the community, to ensure that this service can be rendered in a sustainable manner over the medium to long term.

The waste removal tariffs are increased by **5.8** percent.

3.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/2016 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/2016 budget and MTREF (Classified per main type of operating expenditure):

3.4.1 Summary of operating expenditure by standard classification item

Description	**Current Year 2014/2015**			**Medium Term Revenue and Expenditure Framework**		
(R) Thousands	**Original Budget (R)**	**Adjusted Budget (R)**	**Full Year Forecast (R)**	**Budget Year 2015/2016 (R)**	**Budget Year 2016/2017 (R)**	**Budget Year 2017/2018 (R)**
Expenditure by Type						
Employee related costs	71 574	66 754	66 754	88 209	94 381	100 985
Remuneration of councillors	16 894	16 229	16 229	17 792	19 038	20 371
Depreciation & asset impairment	8 932	27 075	27 075	28 484	29 898	31 333
Finance charges	714	714	714	756	797	839
Bulk purchases	41 013	40 471	40 471	45 474	51 949	59 347
Contracted services	26 421	27 413	27 413	26 958	25 873	27 063
Transfers and grants	3 388	3 408	3 408	3 760	3 941	4 153
Other expenditure	64 820	99 625	99 625	105 624	105 913	112 859

Loss on disposal of PPE						
Total Expenditure	**234 056**	**281 689**	**281 689**	**317 057**	**331 790**	**356 950**

- **Employee Related Costs**

The budget allocation for employee related costs for the 2015/2016 financial year totals **R88 209 000** which equals **28.19** per cent of the total operating expenditure. Provision has been made for the following:

- A 7% increase in salaries for the three budget years
- Provision has been made for the filling of 51 new positions considered to be critical on the organogram that was approved last year. The total cost to the municipality will be R12 590 million.

Hereunder follows a breakdown of the new positions to be filled, with the cost to Council:

TASK GRADE	NUMBER OF POSITIONS	COST TO COUNCIL
Section 56	1	755 899.20
16	3	1 452 041.82
15	5	2 210 468.75
14	1	373 270.48
13	1	331 752.36
12	5	1 474 224.90
11	13	3 262 878.32
10	2	212 033.81
9	3	607 661.10
7	2	292 556.58
6	1	138 575.14
5	1	202 553.70
3	13	1 276 006.42
TOTAL	**51**	**12 589 922.58**

Hereunder follows a table reflecting the detail of the employee related costs:

DESCRIPTION	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)
Salaries and Allowances	46 049 880	61 943 430	66 279 400	70 919 010
Overtime & Standby	3 113 130	3 659 250	3 914 970	4 188 530
Casual Labour	4 000	4 280	4 580	4 900
Housing Subsidy	144 050	144 390	154 480	165 290
Pension Fund Contribution	7 565 230	11 546 260	12 354 500	13 219 280
Pension Fund: Gratuities	8 140	8 140	8 710	9 320
Medical Aid Contribution	2 286 140	3 640 970	3 896 720	4 169 480
Travel, Rental and Other Allowances	3 696 930	3 642 810	3 897 810	4 170 630
Unemployment Fund	399 830	548 430	586 800	627 870
Protective Clothing	401 440	495 000	526 330	560 280
Group Life Insurance	618 990	943 850	1 010 320	1 081 250
Workmen's Compensation	709 620	759 300	812 460	869 340
Skills Development Levy	660 930	873 360	934 470	999 850
Performance Bonuses-Sec 57 Managers	1 095 890	0	0	0
TOTAL	**66 754 200**	**88 209 470**	**94 381 590**	**100 985 030**

- **Remuneration of Councillors**

The cost associated with the remuneration of councilors is determined by the Minister of Co-Operative Governance and Traditional Affairs, in accordance with the remuneration of Public Bearers Act (Act 20 of 1998). The most recent promulgation in this regard has been taken into account in compiling the municipality's budget.

- **Provision for depreciation and asset impairments**

Provision for depreciation and asset impairments has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total **R28 484 000** for the 2015/2016 financial and equates to **9.11** per cent of the total operating expenditure.

- **Finance charges**

Finance charges consist primarily of the repayment of interest on long term borrowing (cost of capital). Finance charges make up **0.25** per cent **(R756 000)** of operating expenditure excluding annual redemption for 2015/2016 and increases to **R839 000** by 2017/2018.

- **Bulk purchases**

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure include distribution losses.

- **Contracted services**

Contracted services has been identified as a cost saving area for the municipality. As part of the compilation of the 2015/2016 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/2016 financial year, this group of expenditure totals **R26 798 000** and has decreased by **1.66** per cent. For the two outer years it has been limited to a decrease of **4.02** and an increase of **4.6** per cent.

Provision is made for the following contracted services:

DESCRIPTION	**2014/2015** ®	**2015/2016** ®	**2016/2017** ®	**2017/2018** ®
Animal pound facility	615 850	597 840	636 700	678 080
Archive storage	59 560	63 010	66 480	70 000
Asset management	1 133 490	503 610	-	-
Bank collections	217 280	217 280	228 140	239 550
Cleaning	803 860	672 260	705 870	741 170
Competency testing	-	-	-	175 000
Computer maintenance	1 222 580	1 293 490	1 364 630	1 436 960
Electricity metering audit	-	300 000	300 000	300 000
Environmental studies: Cemeteries	-	300 000	-	-
Fleet Management	-	200 000	211 000	222 180
Fomalize informal settlement plan	-	150 000	-	-
Grass cutting	1 457 280	1 616 760	1 713 060	1 815 130
Housing sector plan	-	250 000	-	-
Insurance	702 660	743 420	784 290	825 840

Internal audit	1 113 100	1 185 870	1 245 930	1 309 600
Land use management system (rural areas)	1 000 000	1 000 000	-	
Lease of park home - toilet facilities	27 830	19 200	20 360	21 590
Mailing of monthly statements	291 200	250 640	265 680	278 970
Pauper burials	25 160	-	-	-
Pavement management system	-	450 000	-	-
Pre paid electricity vending management system	188 200	709 610	711 370	713 130
Pre paid electricity vending: Commission	641 770	-	-	-
Post employment report	28 410	30 060	31 710	33 390
Proposal: Office space	350 000	-	-	-
Radio repeater site	7 680	8 130	8 580	9 030
Refuse removal contracts	4 333 810	4 296 130	4 561 260	4 836 210
Removal of informal settlements	-	100 000	400 000	100 000
Rental of land	381 820	117 390	131 880	148 180
Rental of office equipment	718 360	760 020	801 760	844 250
Security	7 972 590	8 222 100	8 673 340	9 124 770
Town planning	187 400	-	-	-
Traffic violation system	2 004 150	2 268 000	2 340 000	2 430 000
Valuation costs	1 520 000	122 810	127 200	131 580
Website	-	50 000	52 750	55 550
Weigh bridge	409 000	460 840	490 790	522 690
	27 413 040	**26 958 470**	**25 872 780**	**27 062 850**

- Security expenditure for the 2015/2016 budget year is made up as follows:

Office bearers	4 537 720
Mayor	533 850
Deputy Mayor	417 470
Speaker	477 580
Chief Whip	489 980
Councilors (x10)	2 618 940
Council buildings	3 344 600
Sportsfield	339 780
	8 222 100

- **Transfers and Grants**

Provision is made for the following transfers and grants:

Description	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)
SPCA	120 000	125 000	130 000	135 000
Social Welfare	125 000	130 000	135 000	140 000
Zululand Historical Museum	292 600	323 360	356 920	378 720
uMlalazi Tourism Association	190 000	195 000	200 000	205 000
Free Refuse	1 560 230	1 650 170	1 703 530	1 793 810
Free Electricity	1 120 540	1 336 130	1 415 700	1 500 880
TOTAL	**3 408 370**	**3 759 660**	**3 941 150**	**4 153 410**

- **Other expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- Other expenditure comprises of the following:

	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)
Provision for bad debts	20 239 910	21 583 420	21 752 210	21 922 390
Repairs and maintenance	17 305 980	19 491 460	20 635 880	20 125 570
Employment Benefits	3 370 000	8 572 310	9 113 170	9 678 590
General expenses	57 243 250	53 247 050	52 777 110	59 411 820
Contribution to staff leave	1 463 510	1 548 400	1 633 560	1 720 140
TOTAL	**99 622 650**	**104 622 640**	**105 911 930**	**112 858 510**

Provision is made for the following repairs and maintenance:

	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)
Air-conditioning	22 280	25 000	26 380	27 780
Buildings	415 950	446 560	463 290	487 850
Electricity mains	964 610	1 020 560	1 076 690	1 133 750
Electricity sub stations	30 660	32 440	34 220	36 030
Fire extinguishers	22 280	23 570	24 870	26 190
Fuel and oil	2 745 600	3 000 840	3 165 810	3 333 600
Furniture, plant and equipment	158 360	165 030	174 100	183 310
Equitable share grants expenditure	9 101 750	9 804 230	10 626 960	9 586 180
Grounds	104 450	507 270	324 170	341 360
Information signs	4 460	4 720	4 980	5 240
Office equipment	43 260	46 470	49 020	51 620
Roads & Streets (Urban)	734 310	1 255 200	1 324 240	1 394 420
Roads (Rural)	1 186 390	1 255 200	1 324 240	1 394 420
Small plant and equipment	143 950	152 290	160 670	169 180
Speed testing equipment	9 920	10 500	11 080	11 670
Street lights	254 380	269 130	283 930	298 980
Traffic signs	32 410	34 290	36 180	38 100
Transport	1 317 250	1 423 650	1 501 890	1 581 490
Other	13 710	14 510	23 160	24 400
TOTAL	**17 305 980**	**19 491 460**	**20 635 880**	**20 125 570**

Provision is made for the following general expenses:

DESCRIPTION	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)
Advertising	542 730	574 210	605 790	637 900
Audit fees (Auditor-General)	1 687 410	1 785 280	1 883 470	1 983 290
Bank charges	415 510	439 610	463 790	488 370
Bargaining Council levies	23 220	24 850	26 590	28 450
Bursaries	108 920	115 240	121 580	128 020
Capital replacement reserve	5 142 730	9 441 010	10 040 270	10 644 500
Cemetery environmental study	300 000	-	-	-
Chemicals	34 790	47 810	50 440	53 120
Civic expenses	208 360	220 440	232 560	244 890
Cleaning materials	184 280	202 970	214 120	225 480
Conference and delegations	34 010	35 980	37 960	39 970
Council's communications	211 680	223 960	236 280	248 800
Department of Human Settlements expenditure	1 097 730	-	-	-
Department of Sport and Recreation expenditure	150 000	-	-	-
Entertainment expenses	125 810	142 720	150 570	158 570
Eskom: Other accounts	383 240	433 060	489 360	552 980
Expanded public works programme	2 157 000	3 037 000	-	-
Finance management grant expenditure	1 248 500	1 600 000	1 625 000	1 700 000
Equitable share grant expenditure	15 980 630	13 058 250	14 802 810	14 328 260
First aid kits	-	100 000	105 500	111 090
Housing transfers	-	200 000	-	-
Integrated rural electricity programme	14 489 580	8 000 000	8 000 000	13 000 000
Internship proramme	-	180 000	180 000	180 000
Legal expenses	1 500 000	1 587 000	1 674 290	1 763 030
Library books	22 300	23 590	24 880	26 200
Library: Cyber cadet grant	458 080	361 000	366 000	385 000
License fees	52 790	75 840	80 010	84 260
Loose tools	34 340	39 240	41 390	43 580
Membership fees (S A L G A)	884 680	882 090	943 820	1 514 780
Municipal systems improvement grant expenditure	934 000	930 000	957 000	1 033 000
Performance management system improvement	260 000	-	-	-
Periodicals and publications	25 290	26 760	28 230	29 730
Postage	58 710	62 120	65 540	69 010
Printing and stationary	551 690	633 950	668 820	704 240
Project management unit costs (MIG projects)	579 500	600 000	600 000	600 000
Communication	51 690	1 554 690	57 700	60 760
Recycling awareness programmes	-	100 000	105 500	111 090
Refuse bin liners	735 800	778 480	821 300	864 830

Registry improvements	280 000	-	-	-
Removal of informal settlements	200 000	-	-	-
Rental of buildings	44 350	46 920	49 500	52 120
Road marking	92 110	97 450	102 810	108 260
SABS: 3% charge	70 870	74 980	79 100	83 290
Staff relocation costs	21 120	22 340	23 570	24 820
Subsistence and travel: Staff	831 020	1 022 220	1 078 440	1 135 600
Subsistence and travel: Councillors	536 310	567 410	598 490	630 210
Telephone costs	1 067 500	1 129 410	1 191 520	1 254 670
Town planning costs	-	200 000	211 000	222 180
Traditional leaders	60 000	163 480	172 470	181 610
Training	707 390	748 420	789 580	831 430
Ward committees	1 000 000	1 000 000	1 000 000	1 000 000
Water and sanitation costs	1 053 240	1 092 490	1 152 570	1 213 680
Weed eradication	439 000	500 000	527 500	555 460
Other	165 340	244 780	99 990	75 290
	57 243 250	**53 427 050**	**52 777 110**	**59 411 820**

3.5 Capital Budget

The following guidelines were applied in order to valuate and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The capital for department's budget growth is **76.91** per cent.

The components of the capital budget are as follows:

Description	**2015/2016 (R)**	**2016/2017 (R)**	**2017/2018 (R)**
Departments requirements	33 873 900	27 775 660	19 082 280
MIG projects	38 490 000	39 961 000	42 166 000
TOTAL	**72 363 900**	**67 736 660**	**61 248 280**

The Capital Budget is funded as follows:

Description	**2015/2016 (R)**	**2016/2017 (R)**	**2017/2018 (R)**
Equitable Share Grant	25 933 900	22 868 020	13 642 280
Municipal Infrastructure Grant	38 490 000	39 961 000	42 166 000
Municipal Systems Improvement Grant	40 000		40 000
Own Funds	7 900 000	4 907 640	5 400 000
TOTAL	**72 363 900**	**67 736 660**	**61 248 280**

The capital for departments to be funded from the Council's Equitable Share Grant and capital replacement reserve are the following:

Description	Amount (R)
Furniture & Equipment	1 909 900
Computer Equipment	2 055 000
Machinery and equipment	3 571 000
Vehicles	3 595 000
Cemeteries	400 000
Informal trading shelters	1 000 000
Buildings	7 940 000
Solid waste transfer station (Gingindlovu)	1 000 000
Purchase Propnet properties (Gingindlovu)	300 000
Roads, Sidewalks & Storm water	8 390 000
Electricity	3 713 000
TOTAL	**33 873 900**

The Municipal Infrastructure Grant Projects for the next three budget years are as follows:

DESCRIPTION	Ward	2015/2016	2016/2017	2017/2018
HALLS AND OFFICES				
Sqwanjana hall	13	1 700 000	-	-
Emandawe hall	10	-	1 500 000	-
Bongela hall	1	-	1 500 000	-
Mcongweni hall	13	-	1 500 000	-
Banedle hall	16	-		1 700 000
TESTING GROUNDS				
New testing station	11	-	10 078 410	10 893 420
SPORTS FIELDS				
Kwabulawayo sports field	25	8 461 870	7 013 550	-
Emfenyane sports field	14	-	1 600 000	-
Nkume sports field	10	-	-	1 500 000
Sklebheni sports field	23	-	-	1 500 000
CRECHES				
Ngodini creche	26	-	1 000 000	-
Vulamehlo creche	8	-	-	792 760
Ebele creche	25	-	-	513 000
Evonotho creche	21	-	-	513 000
Ntshentshelo classroom	26	-	-	720 000
Lubisane creche	22	-	-	720 000
Kwazikwakhe creche	2	-	-	800 000
ROADS AND CAUSEWAYS				
Kangela street	11	3 760 230	8 190 760	-
Osborn road rehablitation	11	5 793 910	-	-
KDS bus route rehabilitation	12	11 726 700	-	-
Mtipela road	3	3 000 000	-	-
Bele Road	24	4 047 290	4 078 280	-
Hlungwini causeway	5	-	1 500 000	3 135 590
Gingindlovu stormwater	18	-	2 000 000	2 000 000

Mnengweni to Etheneni bus stop	19	-	-	2 057 030
Vekeze road	17	-	-	1 000 000
Emandawe road	10	-	-	1 000 000
Etheni road	21	-	-	3 069 600
Mbabha causeway	2	-	-	1 500 000
Emtilombo causeway	10	-	-	1 700 000
Ezingwenya road	15	-	-	1 500 000
CBD to Industrial area link road	11	-	-	3 594 650
Qhika road	24	-	-	1 956 950
Sub total		38 490 000	39 961 000	42 166 000
PMU ADMIN COSTS		600 000	600 000	600 000
TOTAL		**39 090 000**	**40 561 000**	**42 766 000**

The capital budget will be spent on the following categories of assets:

Description			**Amount (R)**	**%**
Infrastructure :	Roads	(Urban)	29 670 840	41
	Roads	(Rural)	7 047 290	10
	Electricity		3 713 000	5
	Other			
Investment properties			300 000	0
Community assets		(Urban)	1 110 000	2
Community assets		(Rural)	11 366 870	16
Other assets			19 155 900	26
Total capital expenditure			**72 363 900**	**100**

3.6 Financial position of Council

The accumulated surplus of the Council was **R549 804 098** as at 30 June 2014. It must be noted that this amount is not cash backed. The surplus for the 2015/2016 and the next two years is projected as follows:

2015/2016- R33 220 780
2016/2017- R30 520 080
2017/2018- R21 459 040

3.7 Alignment with National Priorities

3.7.1 In preparing the draft budget, government's 12 outcomes were taken into account.

These outcomes are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security

- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system.
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development orientated public service and inclusive citizenship

These objectives are directly relevant to the municipality. The challenge for the municipality is do more within its existing resource envelope.

3.8 The Municipality's role in employment creation

" Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa's most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, speeding up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery, and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly."

The Council will explore how it can contribute to job creation when revising the IDP and preparing the 2014/2015 budget. However, the Council will not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council will focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- **R2 500 000** from the equitable share is allocated for LED projects;
- **R5 835 580** from the equitable share is allocated for work creation projects;
- The Municipality has received a **R3 037 000** grant to participate in the Extended Public Works Programme, and
- The Council has appointed five financial interns.

3.9 Key amendments to budget –related policies

The amendments to the budget related polices are set under section 8 of the budget document.

4. Annual Budget Tables

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KZN284 uMlalazi - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	**29 413**	30 865	33 831	35 037	34 176	34 176	34 176	42 748	44 963	47 439
Service charges	52 027	57 500	61 146	65 127	64 682	64 682	64 682	69 179	77 283	84 899
Investment revenue	1 139	2 491	3 074	2 600	4 043	4 043	4 043	4 055	4 116	4 178
Transfers recognised - operational	69 774	90 698	98 520	119 852	127 353	127 353	127 353	137 720	140 471	152 854
Other own revenue	12 381	10 813	23 941	11 489	31 706	31 706	31 706	32 112	32 648	33 192
Total Revenue (excluding capital transfers and contributions)	164 734	192 367	220 512	234 106	261 960	261 960	261 960	285 814	299 481	322 561
Employee costs	51 875	54 201	59 569	71 574	66 754	66 754	66 754	88 209	94 382	100 985
Remuneration of councillors	12 059	12 733	13 688	16 895	16 229	16 229	16 229	17 792	19 038	20 371
Depreciation & asset impairment	7 548	8 056	26 032	8 932	27 075	27 075	27 075	28 484	29 898	31 333
Finance charges	770	709	660	714	714	714	714	756	797	840
Materials and bulk purchases	31 537	35 992	38 636	41 013	40 472	40 472	40 472	45 474	51 949	59 347
Transfers and grants	2 572	2 812	2 879	3 388	3 408	3 408	3 408	3 760	3 941	4 153
Other expenditure	56 881	76 502	92 985	91 540	127 036	127 036	127 036	132 581	131 785	139 921
Total Expenditure	163 243	191 004	234 449	234 056	281 689	281 689	281 689	317 057	331 790	356 950
Surplus/(Deficit)	1 491	1 364	(13 938)	49	(19 729)	(19 729)	(19 729)	(31 243)	(32 309)	(34 389)
Transfers recognised - capital	25 458	35 093	34 296	46 538	48 721	48 721	48 721	64 464	62 829	55 848
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	26 949	36 456	20 359	46 587	28 993	28 993	28 993	33 221	30 520	21 459
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	26 949	36 456	20 359	46 587	28 993	28 993	28 993	33 221	30 520	21 459
Capital expenditure & funds sources										
Capital expenditure	**25 458**	33 670	37 165	62 448	75 883	75 883	75 883	72 364	67 737	61 248
Transfers recognised - capital	**24 094**	33 670	37 165	46 538	59 070	59 070	59 070	64 464	62 829	55 848
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**1 364**	–	–	–	–	–	–	–	–	–
Internally generated funds	**–**	–	–	15 910	16 812	16 812	16 812	7 900	4 908	5 400
Total sources of capital funds	**25 458**	33 670	37 165	62 448	75 883	75 883	75 883	72 364	67 737	61 248
Financial position										
Total current assets	**62 131**	90 929	108 222	69 992	86 782	86 782	86 782	87 239	76 567	55 433
Total non current assets	**466 895**	511 443	517 179	539 755	553 057	553 057	553 057	586 257	618 419	634 398
Total current liabilities	**35 561**	48 241	44 673	51 872	45 733	45 733	45 733	44 142	45 313	43 473
Total non current liabilities	**24 763**	17 976	20 119	21 988	20 296	20 296	20 296	20 222	20 160	19 807
Community wealth/Equity	**468 701**	536 155	560 608	535 887	573 810	573 810	573 810	609 132	629 513	626 551
Cash flows										
Net cash from (used) operating	**25 761**	57 589	48 117	34 160	38 602	38 602	38 602	57 826	37 769	27 094
Net cash from (used) investing	**(22 148)**	(34 362)	(36 865)	(37 374)	(60 658)	(60 658)	(60 658)	(54 156)	(47 284)	(45 801)
Net cash from (used) financing	**(223)**	(287)	(232)	(153)	(279)	(279)	(279)	(238)	(238)	(288)
Cash/cash equivalents at the year end	**37 548**	60 488	71 508	42 084	49 173	49 173	49 173	52 605	42 852	23 857
Cash backing/surplus reconciliation										
Cash and investments available	**37 549**	60 489	71 509	42 085	49 174	49 174	49 174	52 606	42 853	23 858
Application of cash and investments	**15 558**	21 627	23 848	40 445	47 202	47 202	47 202	51 472	41 219	23 048
Balance - surplus (shortfall)	**21 991**	38 862	47 662	1 640	1 972	1 972	1 972	1 134	1 634	810
Asset management										
Asset register summary (WDV)	**465 465**	510 019	515 781	538 305	551 607	551 607	584 804	584 804	616 968	632 942
Depreciation & asset impairment	**7 548**	8 056	26 032	8 932	27 075	27 075	28 484	28 484	29 898	31 333
Renewal of Existing Assets	**1 907**	7 234	15 749	26 464	31 327	31 327	31 327	43 819	24 640	16 297
Repairs and Maintenance	**10 013**	10 013	15 035	15 962	16 451	16 451	19 491	19 491	20 336	19 426
Free services										
Cost of Free Basic Services provided	**126**	153	166	166	172	172	246	246	259	274
Revenue cost of free services provided	**11 182**	13 202	14 456	14 456	16 564	16 564	34 613	34 613	36 425	38 169
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	1	1	1	1	1	1	1	1	1	1
Refuse:	–	–	–	–	–	–	–	–	–	–

KZN284 uMlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		**104 509**	**125 616**	**141 811**	**167 576**	**169 230**	**169 230**	**212 347**	**217 519**	**220 816**
Executive and council		102 235	123 018	139 252	163 762	165 436	165 436	209 286	214 353	217 493
Budget and treasury office		2 059	2 253	2 272	2 453	2 433	2 433	2 853	2 947	3 092
Corporate services		215	345	287	1 362	1 362	1 362	207	219	230
Community and public safety		**16 563**	**14 185**	**25 769**	**14 149**	**36 138**	**36 138**	**37 423**	**37 584**	**38 397**
Community and social services		2 969	3 406	3 655	3 942	4 149	4 149	4 450	4 830	5 104
Sport and recreation		4 066	3 030	2 617	2 604	2 944	2 944	3 490	3 272	3 360
Public safety		3 168	4 089	16 655	4 475	25 082	25 082	25 265	25 505	25 747
Housing		136	1 376	436	143	1 256	1 256	167	177	186
Health		6 224	2 284	2 406	2 986	2 707	2 707	4 050	3 800	4 000
Economic and environmental services		**10 783**	**13 759**	**13 256**	**15 824**	**15 334**	**15 334**	**16 727**	**14 710**	**13 869**
Planning and development		1 370	1 826	2 046	3 814	2 937	2 937	3 637	600	600
Road transport		9 413	11 932	11 210	12 010	12 398	12 398	13 090	14 110	13 269
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**58 337**	**73 901**	**73 972**	**83 095**	**89 978**	**89 978**	**83 781**	**92 498**	**105 327**
Electricity		48 582	63 297	60 863	68 868	75 820	75 820	68 515	76 432	88 458
Water		–	–	–	–	–	–	–	–	–
Waste water management		3	1	1	1	1	1	1	1	1
Waste management		9 752	10 603	13 108	14 226	14 158	14 158	15 265	16 064	16 868
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard	2	**190 192**	**227 460**	**254 808**	**280 644**	**310 681**	**310 681**	**350 277**	**362 310**	**378 409**
Expenditure - Standard										
Governance and administration		**50 198**	**61 652**	**88 889**	**81 446**	**99 906**	**99 906**	**121 888**	**126 944**	**133 831**
Executive and council		38 447	47 242	71 648	61 031	77 761	77 761	99 874	104 073	109 292
Budget and treasury office		7 565	9 913	11 460	12 953	13 391	13 391	14 781	15 148	16 120
Corporate services		4 186	4 496	5 781	7 462	8 754	8 754	7 234	7 723	8 419
Community and public safety		**38 023**	**39 945**	**50 937**	**46 404**	**65 526**	**65 526**	**77 020**	**79 428**	**83 145**
Community and social services		5 194	6 321	4 422	5 749	6 064	6 064	7 264	7 555	8 074
Sport and recreation		9 167	9 163	9 645	10 218	10 553	10 553	12 643	12 824	13 549
Public safety		16 321	18 697	32 158	24 637	42 300	42 300	48 916	50 823	52 798
Housing		207	1 327	84	156	1 254	1 254	165	174	184
Health		7 134	4 437	4 628	5 644	5 355	5 355	8 031	8 052	8 542
Economic and environmental services		**16 138**	**18 737**	**19 575**	**23 246**	**24 370**	**24 370**	**27 679**	**25 937**	**25 869**
Planning and development		2 549	3 331	3 394	5 544	5 301	5 301	5 998	2 639	2 773
Road transport		13 589	15 406	16 182	17 702	19 070	19 070	21 681	23 298	23 096
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**58 875**	**70 658**	**75 043**	**82 948**	**91 875**	**91 875**	**90 456**	**99 467**	**114 090**
Electricity		45 912	55 606	60 516	66 155	76 155	76 155	72 170	80 064	93 479
Water		–	–	–	–	–	–	–	–	–
Waste water management		351	661	540	731	526	526	744	791	842
Waste management		12 612	14 391	13 988	16 063	15 194	15 194	17 542	18 612	19 769
Other	4	**9**	**12**	**5**	**12**	**12**	**12**	**13**	**14**	**15**
Total Expenditure - Standard	3	**163 243**	**191 004**	**234 449**	**234 056**	**281 689**	**281 689**	**317 057**	**331 790**	**356 950**
Surplus/(Deficit) for the year		**26 949**	**36 456**	**20 359**	**46 587**	**28 993**	**28 993**	**33 221**	**30 520**	**21 459**

KZN284 uMlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		102 235	123 018	139 252	163 762	165 436	165 436	209 286	214 353	217 493
Vote 2 - BUDGET AND TREASURY OFFICE		2 059	2 253	2 272	2 453	2 433	2 433	2 853	2 947	3 092
Vote 3 - CORPORATE SERVICES		1 482	1 959	564	1 711	1 571	1 571	665	835	906
Vote 4 - PLANNING AND DEVELOPMENT		1 370	1 826	2 046	3 814	2 937	2 937	3 637	600	600
Vote 5 - HEALTH		6 224	2 284	2 406	2 986	2 707	2 707	4 050	3 800	4 000
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 702	1 792	3 378	3 593	3 940	3 940	3 992	4 214	4 428
Vote 7 - HOUSING		136	1 376	436	143	1 256	1 256	167	177	186
Vote 8 - PUBLIC SAFETY		3 168	4 089	16 655	4 475	25 082	25 082	25 265	25 505	25 747
Vote 9 - SPORTS AND RECREATION		4 066	3 030	2 617	2 604	2 944	2 944	3 490	3 272	3 360
Vote 10 - WASTE MANAGEMENT		9 755	10 603	13 109	14 227	14 159	14 159	15 266	16 066	16 869
Vote 11 - ROAD TRANSPORT		9 413	11 932	11 210	12 010	12 398	12 398	13 090	14 110	13 269
Vote 12 - ELECTRICITY		48 582	63 297	60 863	68 868	75 820	75 820	68 515	76 432	88 458
Vote 13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–
Vote 14 - WORKSHOP		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**190 192**	**227 460**	**254 808**	**280 644**	**310 681**	**310 681**	**350 277**	**362 310**	**378 409**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - EXECUTIVE AND COUNCIL		38 447	47 242	71 648	61 031	77 761	77 761	99 874	104 073	109 292
Vote 2 - BUDGET AND TREASURY OFFICE		7 565	9 913	11 460	12 953	13 391	13 391	14 781	15 148	16 120
Vote 3 - CORPORATE SERVICES		6 815	7 896	7 408	9 460	10 603	10 603	9 285	10 037	10 904
Vote 4 - PLANNING AND DEVELOPMENT		2 549	3 331	3 394	5 544	5 301	5 301	5 998	2 639	2 773
Vote 5 - HEALTH		7 134	4 437	4 628	5 644	5 355	5 355	8 031	8 052	8 542
Vote 6 - COMMUNITY AND SOCIAL SERVICES		2 565	2 922	2 795	3 751	4 214	4 214	5 214	5 240	5 588
Vote 7 - HOUSING		207	1 327	84	156	1 254	1 254	165	174	184
Vote 8 - PUBLIC SAFETY		16 321	18 697	32 158	24 637	42 300	42 300	48 916	50 823	52 798
Vote 9 - SPORTS AND RECREATION		9 167	9 163	9 645	10 218	10 553	10 553	12 643	12 824	13 549
Vote 10 - WASTE MANAGEMENT		12 963	15 052	14 528	16 794	15 720	15 720	18 286	19 404	20 611
Vote 11 - ROAD TRANSPORT		13 143	14 977	15 739	17 162	18 607	18 607	20 989	22 560	22 308
Vote 12 - ELECTRICITY		45 912	55 606	60 516	66 155	76 155	76 155	72 170	80 064	93 479
Vote 13 - AIR TRANSPORT		9	12	5	12	12	12	13	14	15
Vote 14 - WORKSHOP		446	429	443	539	463	463	691	737	788
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**163 243**	**191 004**	**234 449**	**234 056**	**281 689**	**281 689**	**317 057**	**331 790**	**356 950**
Surplus/(Deficit) for the year	2	**26 949**	**36 456**	**20 359**	**46 587**	**28 993**	**28 993**	**33 221**	**30 520**	**21 459**

KZN284 uMlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	28 733	30 174	33 227	34 456	33 466	33 466	33 466	41 997	44 171	46 605
Property rates - penalties & collection charges		680	691	604	581	710	710	710	751	792	834
Service charges - electricity revenue	2	44 730	49 305	51 756	55 050	54 590	54 590	54 590	58 352	65 861	72 922
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	7 297	8 194	9 390	10 077	10 092	10 092	10 092	10 827	11 422	11 977
Service charges - other											
Rental of facilities and equipment		1 516	1 707	1 323	1 373	1 389	1 389	1 389	1 470	1 551	1 634
Interest earned - external investments		1 139	2 491	3 074	2 600	4 043	4 043	4 043	4 055	4 116	4 178
Interest earned - outstanding debtors		–	–		150	353	353	353	374	394	415
Dividends received		–	–		–	–	–	–			
Fines		2 623	2 835	15 273	3 124	23 697	23 697	23 697	23 809	23 920	24 032
Licences and permits		3 318	3 389	3 309	3 645	3 403	3 403	3 403	3 600	3 798	3 999
Agency services					–	–	–	–			
Transfers recognised - operational		69 774	90 698	98 520	119 852	127 353	127 353	127 353	137 720	140 471	152 854
Other revenue	2	2 463	2 760	3 782	3 097	2 764	2 764	2 764	2 739	2 854	2 972
Gains on disposal of PPE		2 461	122	254	100	100	100	100	120	130	140
Total Revenue (excluding capital transfers and		**164 734**	**192 367**	**220 512**	**234 106**	**261 960**	**261 960**	**261 960**	**285 814**	**299 481**	**322 561**
Expenditure By Type											
Employee related costs	2	51 875	54 201	59 569	71 574	66 754	66 754	66 754	88 209	94 382	100 985
Remuneration of councillors		12 059	12 733	13 688	16 895	16 229	16 229	16 229	17 792	19 038	20 371
Debt impairment	3	1 846	1 389	12 864	1 440	20 240	20 240	20 240	21 583	21 752	21 922
Depreciation & asset impairment	2	7 548	8 056	26 032	8 932	27 075	27 075	27 075	28 484	29 898	31 333
Finance charges		770	709	660	714	714	714	714	756	797	840
Bulk purchases	2	31 537	35 992	38 636	41 013	40 472	40 472	40 472	45 474	51 949	59 347
Other materials	8										
Contracted services		17 921	19 454	21 780	26 421	27 413	27 413	27 413	26 958	25 873	27 063
Transfers and grants		2 572	2 812	2 879	3 388	3 408	3 408	3 408	3 760	3 941	4 153
Other expenditure	4, 5	37 114	55 660	58 342	63 680	79 383	79 383	79 383	84 039	84 160	90 936
Loss on disposal of PPE											
Total Expenditure		**163 243**	**191 004**	**234 449**	**234 056**	**281 689**	**281 689**	**281 689**	**317 057**	**331 790**	**356 950**
Surplus/(Deficit)		**1 491**	**1 364**	**(13 938)**	**49**	**(19 729)**	**(19 729)**	**(19 729)**	**(31 243)**	**(32 309)**	**(34 389)**
Transfers recognised - capital		25 458	35 093	34 296	46 538	48 721	48 721	48 721	64 464	62 829	55 848
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		**26 949**	**36 456**	**20 359**	**46 587**	**28 993**	**28 993**	**28 993**	**33 221**	**30 520**	**21 459**
Taxation											
Surplus/(Deficit) after taxation		**26 949**	**36 456**	**20 359**	**46 587**	**28 993**	**28 993**	**28 993**	**33 221**	**30 520**	**21 459**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**26 949**	**36 456**	**20 359**	**46 587**	**28 993**	**28 993**	**28 993**	**33 221**	**30 520**	**21 459**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**26 949**	**36 456**	**20 359**	**46 587**	**28 993**	**28 993**	**28 993**	**33 221**	**30 520**	**21 459**

CHART A4 FINANCIAL PERFORMANCE (REVENUE)	
2015/2016MTREF	
DESCRIPTION	BUDGET YEAR 2015/2016 R'000
REVENUE BY SOURCE	
PROPERTY RATES	41 997
SERVICE CHARGES : ELECTRICITY	58 352
SERVICE CHARGES : REFUSE	10 827
TRANSFERS RECOGNISED - OPERATING	137 720
TRANSFERS RECOGNISED - CAPITAL	64 464
OTHER REVENUE	36 918
TOTAL REVENUE	350 277

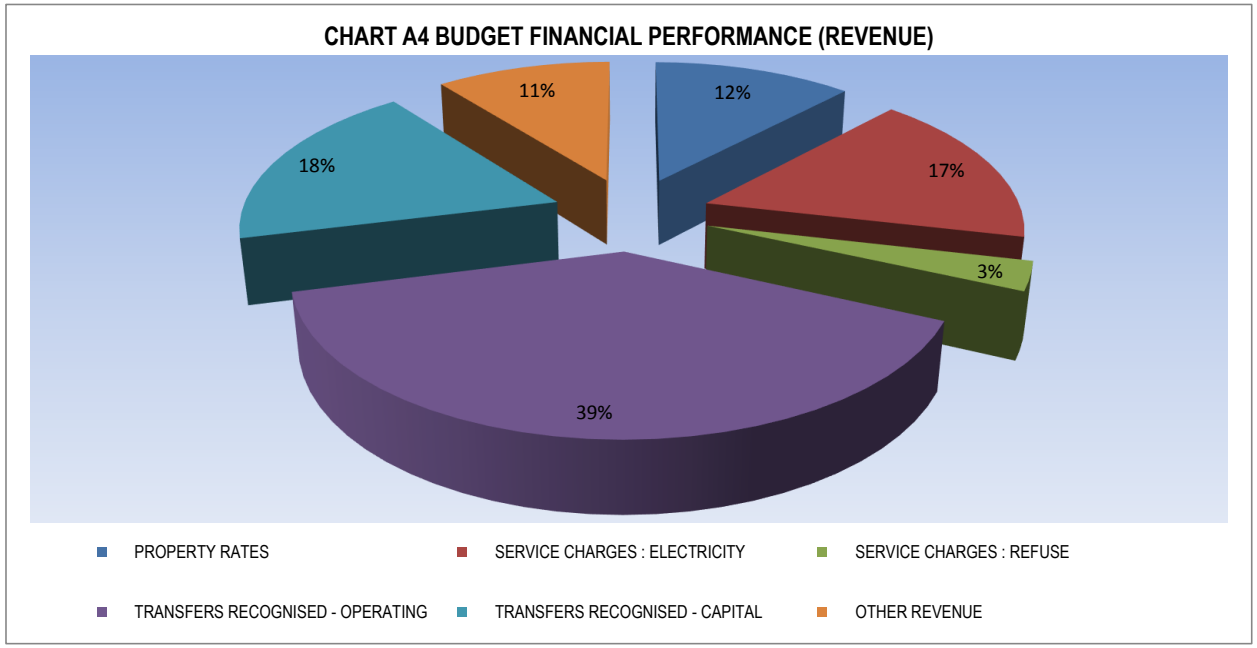
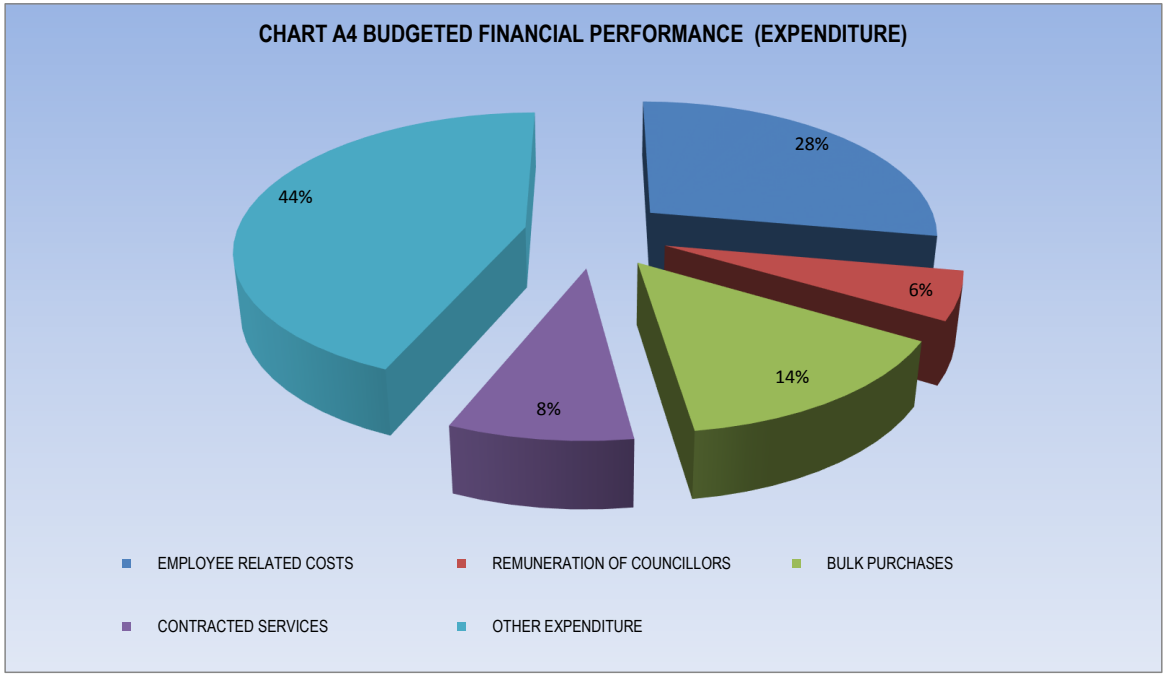


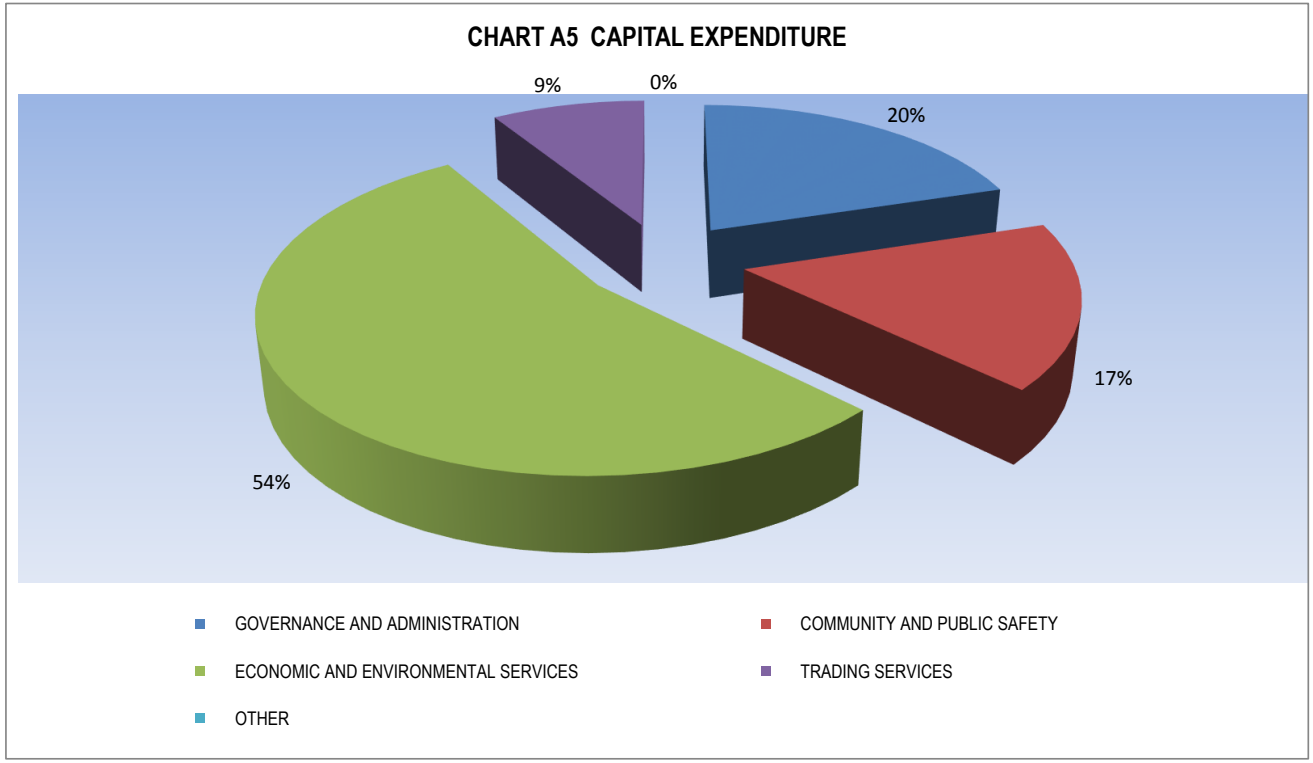
CHART A4 FINANCIAL PERFORMANCE BUDGET (EXPENDITURE)	
2015/2016 MTREF	
DESCRIPTION	BUDGET YEAR 2015/2016R'000
EXPENDITURE BY TYPE	
EMPLOYEE RELATED COSTS	88 209
REMUNERATION OF COUNCILLORS	17 792
BULK PURCHASES	45 474
CONTRACTED SERVICES	26 958
OTHER EXPENDITURE	138 622
TOTAL EXPENDITURE	317 057



KZN284 uMlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - EXECUTIVE AND COUNCIL		837	797	1 046	228	764	764	764	5 963	380	92
Vote 2 - BUDGET AND TREASURY OFFICE		626	265	288	934	1 641	1 641	1 641	2 277	632	370
Vote 3 - CORPORATE SERVICES		805	2 926	1 624	6 550	8 014	8 014	8 014	6 380	5 545	3 685
Vote 4 - PLANNING AND DEVELOPMENT		58	6	75	–	–	–	–	10	–	–
Vote 5 - HEALTH		51	17	14	55	301	301	301	260	10	30
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 226	922	697	410	1 598	1 598	1 598	1 185	2 058	4 914
Vote 7 - HOUSING		–	–	–	–	–	–	–	–	–	–
Vote 8 - PUBLIC SAFETY		497	1 823	786	690	657	657	657	920	3 890	965
Vote 9 - SPORTS AND RECREATION		2 001	2 552	2 376	5 620	7 046	7 046	7 046	9 902	11 364	7 650
Vote 10 - WASTE MANAGEMENT		358	528	6 625	900	1 980	1 980	1 980	2 270	4 400	500
Vote 11 - ROAD TRANSPORT		18 423	23 357	21 844	45 961	52 782	52 782	52 782	39 034	36 697	41 247
Vote 12 - ELECTRICITY		547	432	1 547	1 100	1 100	1 100	1 100	4 163	2 460	1 795
Vote 13 - AIR TRANSPORT		–	–	–	–	–	–	–	–	–	–
Vote 14 - WORKSHOP		29	44	243	–	–	–	–	–	300	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**25 458**	**33 670**	**37 165**	**62 448**	**75 883**	**75 883**	**75 883**	**72 364**	**67 737**	**61 248**
Total Capital Expenditure - Vote		**25 458**	**33 670**	**37 165**	**62 448**	**75 883**	**75 883**	**75 883**	**72 364**	**67 737**	**61 248**
Capital Expenditure - Standard											
Governance and administration		**2 268**	**3 988**	**2 957**	**7 712**	**10 419**	**10 419**	**10 419**	**14 620**	**6 558**	**4 147**
Executive and council		837	797	1 046	228	764	764	764	5 963	380	92
Budget and treasury office		626	265	288	934	1 641	1 641	1 641	2 277	632	370
Corporate services		805	2 926	1 624	6 550	8 014	8 014	8 014	6 380	5 545	3 685
Community and public safety		**3 775**	**5 314**	**3 873**	**6 775**	**9 602**	**9 602**	**9 602**	**12 267**	**17 322**	**13 559**
Community and social services		1 226	922	697	410	1 598	1 598	1 598	1 185	2 058	4 914
Sport and recreation		2 001	2 552	2 376	5 620	7 046	7 046	7 046	9 902	11 364	7 650
Public safety		497	1 823	786	690	657	657	657	920	3 890	965
Housing		–	–	–	–	–	–	–	–	–	–
Health		51	17	14	55	301	301	301	260	10	30
Economic and environmental services		**18 481**	**23 363**	**21 920**	**45 961**	**52 782**	**52 782**	**52 782**	**39 044**	**36 697**	**41 247**
Planning and development		58	6	75	–	–	–	–	10	–	–
Road transport		18 423	23 357	21 844	45 961	52 782	52 782	52 782	39 034	36 697	41 247
Environmental protection											
Trading services		**905**	**960**	**8 172**	**2 000**	**3 080**	**3 080**	**3 080**	**6 433**	**6 860**	**2 295**
Electricity		547	432	1 547	1 100	1 100	1 100	1 100	4 163	2 460	1 795
Water											
Waste water management		358	528	6 625	900	1 980	1 980	1 980	2 270	4 400	500
Waste management											
Other		**29**	**44**	**243**	**–**	**–**	**–**	**–**	**–**	**300**	**–**
Total Capital Expenditure - Standard	3	**25 458**	**33 670**	**37 165**	**62 448**	**75 883**	**75 883**	**75 883**	**72 364**	**67 737**	**61 248**
Funded by:											
National Government		24 094	32 602	37 165	44 288	54 962	54 962	54 962	64 464	62 829	55 848
Provincial Government			1 068		2 250	4 108	4 108	4 108			
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	**24 094**	**33 670**	**37 165**	**46 538**	**59 070**	**59 070**	**59 070**	**64 464**	**62 829**	**55 848**
Public contributions & donations	5										
Borrowing	6	1 364									
Internally generated funds					15 910	16 812	16 812	16 812	7 900	4 908	5 400
Total Capital Funding	7	**25 458**	**33 670**	**37 165**	**62 448**	**75 883**	**75 883**	**75 883**	**72 364**	**67 737**	**61 248**

CHART A5 CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION	
2015/2016 MTREF	
DESCRIPTION	**BUDGET YEAR 2015/2016R'000**
GOVERNANCE AND ADMINISTRATION	14 619 900
COMMUNITY AND PUBLIC SAFETY	12 266 870
ECONOMIC AND ENVIRONMENTAL SERVICES	39 044 130
TRADING SERVICES	6 433 000
OTHER	0
TOTAL EXPENDITURE	72 363 900



KZN284 uMlalazi - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		37 548	60 488	71 508	42 084	49 173	49 173	49 173	52 605	42 852	23 857
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	20 058	24 053	29 496	22 325	28 115	28 115	28 115	25 110	24 400	21 960
Other debtors		1 732	3 048	3 513	2 237	4 787	4 787	4 787	5 035	4 796	4 995
Current portion of long-term receivables		20	26	19	20	20	20	20	21	20	20
Inventory	2	2 773	3 314	3 686	3 326	4 687	4 687	4 687	4 468	4 499	4 601
Total current assets		**62 131**	**90 929**	**108 222**	**69 992**	**86 782**	**86 782**	**86 782**	**87 239**	**76 567**	**55 433**
Non current assets											
Long-term receivables		1 429	1 423	1 397	1 449	1 449	1 449	1 449	1 452	1 450	1 455
Investments		1	1	1	1	1	1	1	1	1	1
Investment property		9 401	10 316	11 155	11 926	11 965	11 965	11 965	12 785	13 615	14 455
Investment in Associate							–	–			
Property, plant and equipment	3	456 018	499 409	504 355	526 296	539 361	539 361	539 361	571 728	603 047	618 121
Agricultural											
Biological											
Intanqible		46	294	271	83	281	281	281	291	306	366
Other non-current assets											
Total non current assets		**466 895**	**511 443**	**517 179**	**539 755**	**553 057**	**553 057**	**553 057**	**586 257**	**618 419**	**634 398**
TOTAL ASSETS		**529 026**	**602 372**	**625 401**	**609 747**	**639 839**	**639 839**	**639 839**	**673 496**	**694 986**	**689 831**
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	343	343	343	343	343	343	343	343	343	343
Consumer deposits		1 099	1 155	1 266	1 679	1 330	1 330	1 330	1 435	1 540	1 595
Trade and other payables	4	18 128	40 185	42 640	44 605	43 200	43 200	43 200	41 473	42 520	40 615
Provisions		15 991	6 558	424	5 245	860	860	860	891	910	920
Total current liabilities		**35 561**	**48 241**	**44 673**	**51 872**	**45 733**	**45 733**	**45 733**	**44 142**	**45 313**	**43 473**
Non current liabilities											
Borrowing		5 485	5 142	4 799	4 456	4 456	4 456	4 456	4 113	3 770	3 427
Provisions		19 278	12 834	15 320	17 532	15 840	15 840	15 840	16 109	16 390	16 380
Total non current liabilities		**24 763**	**17 976**	**20 119**	**21 988**	**20 296**	**20 296**	**20 296**	**20 222**	**20 160**	**19 807**
TOTAL LIABILITIES		**60 324**	**66 217**	**64 793**	**73 860**	**66 029**	**66 029**	**66 029**	**64 364**	**65 473**	**63 280**
NET ASSETS	5	**468 701**	**536 155**	**560 608**	**535 887**	**573 810**	**573 810**	**573 810**	**609 132**	**629 513**	**626 551**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		198 591	524 022	549 804	337 143	549 150	549 150	549 150	597 297	617 098	613 551
Reserves	4	270 111	12 133	10 804	198 744	24 660	24 660	24 660	11 835	12 415	13 000
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	**468 701**	**536 155**	**560 608**	**535 887**	**573 810**	**573 810**	**573 810**	**609 132**	**629 513**	**626 551**

KZN284 uMlalazi - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		29 413	30 865	33 831	40 611	32 467	32 467	32 467	40 611	42 715	45 067
Service charges		52 027	57 500	61 146	58 802	54 980	54 980	54 980	59 120	65 690	72 164
Other revenue		1 307	33 442	26 390	373	11 203	11 203	11 203	11 171	11 906	12 337
Government - operating	1	69 774	90 698	98 519	119 852	127 192	127 192	127 192	137 720	140 471	152 854
Government - capital	1	22 269	37 131	34 296	46 538	48 721	48 721	48 721	64 464	62 829	55 848
Interest		1 667	2 491	3 074	2 600	4 043	4 043	4 043	4 055	4 116	4 177
Dividends									–	–	–
Payments											
Suppliers and employees		(147 354)	(191 017)	(205 520)	(230 514)	(235 972)	(235 972)	(235 972)	(254 979)	(285 220)	(310 360)
Finance charges		(770)	(709)	(660)	(714)	(714)	(714)	(714)	(756)	(797)	(840)
Transfers and Grants	1	(2 572)	(2 812)	(2 959)	(3 388)	(3 318)	(3 318)	(3 318)	(3 579)	(3 941)	(4 153)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**25 761**	**57 589**	**48 117**	**34 160**	**38 602**	**38 602**	**38 602**	**57 826**	**37 769**	**27 094**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 512	439	254	100	100	100	100	120	130	140
Decrease (Increase) in non-current debtors		(2)	5	46	(5)	(52)	(52)	(52)	(3)	2	(5)
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(24 658)	(34 806)	(37 165)	(37 469)	(60 706)	(60 706)	(60 706)	(54 273)	(47 416)	(45 936)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(22 148)**	**(34 362)**	**(36 865)**	**(37 374)**	**(60 658)**	**(60 658)**	**(60 658)**	**(54 156)**	**(47 284)**	**(45 801)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		120	56	111	190	64	64	64	105	105	55
Payments											
Repayment of borrowing		(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(223)**	**(287)**	**(232)**	**(153)**	**(279)**	**(279)**	**(279)**	**(238)**	**(238)**	**(288)**
NET INCREASE/ (DECREASE) IN CASH HELD		**3 390**	**22 940**	**11 020**	**(3 367)**	**(22 335)**	**(22 335)**	**(22 335)**	**3 432**	**(9 753)**	**(18 995)**
Cash/cash equivalents at the year begin:	2	**34 158**	**37 548**	**60 488**	**45 451**	**71 508**	**71 508**	**71 508**	**49 173**	**52 605**	**42 852**
Cash/cash equivalents at the year end:	2	**37 548**	**60 488**	**71 508**	**42 084**	**49 173**	**49 173**	**49 173**	**52 605**	**42 852**	**23 857**

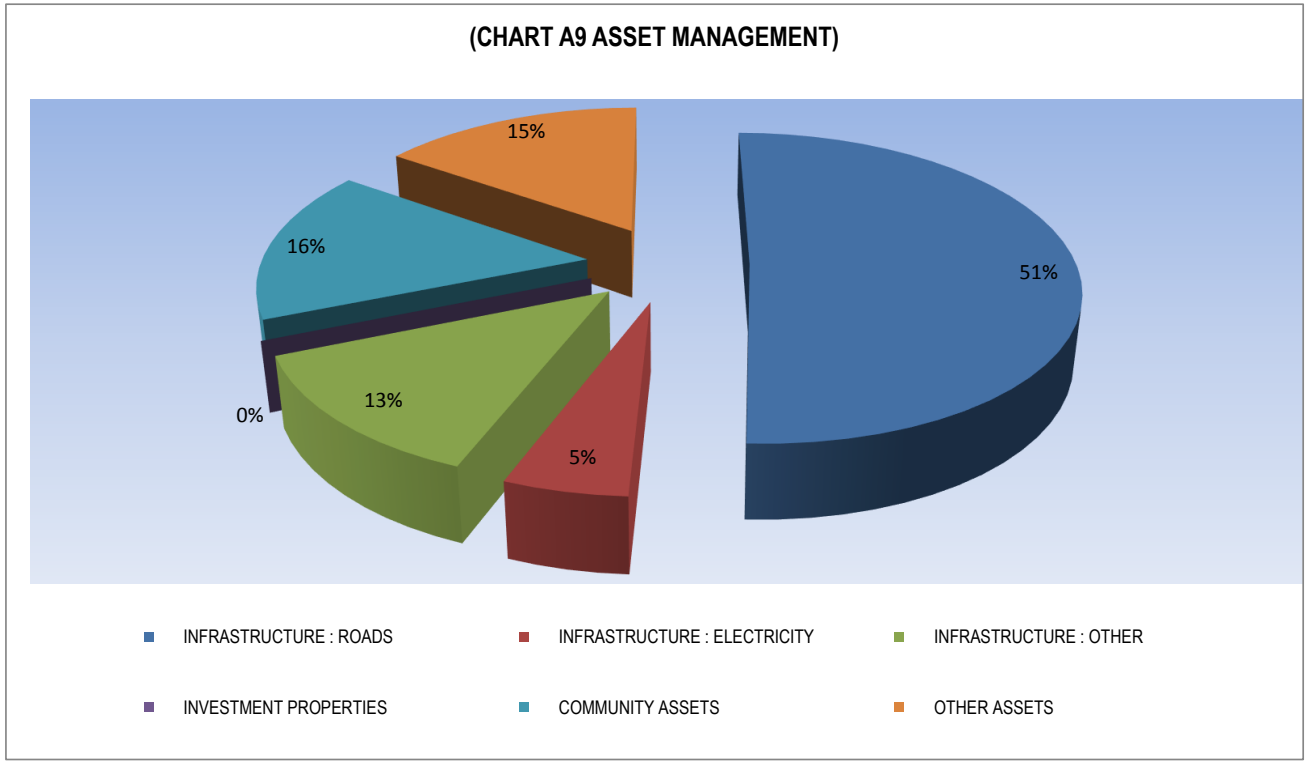
KZN284 uMlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	37 548	60 488	71 508	42 084	49 173	49 173	49 173	52 605	42 852	23 857
Other current investments > 90 days		(0)	0	0	–	–	–	–	–	–	–
Non current assets - Investments	1	1	1	1	1	1	1	1	1	1	1
Cash and investments available:		**37 549**	**60 489**	**71 509**	**42 085**	**49 174**	**49 174**	**49 174**	**52 606**	**42 853**	**23 858**
Application of cash and investments											
Unspent conditional transfers		5 927	14 162	18 175	25 278	22 451	22 451	22 451	14 000	13 500	13 000
Unspent borrowing		5 485	5 142	4 799	4 456	4 456	4 456	4 456	4 456	4 113	3 770
Statutory requirements	2	513	880	739	1 000	1 000	1 000	1 000	750	700	600
Other working capital requirements	3	(9 341)	(9 931)	(11 463)	(4 940)	(6 225)	(6 225)	(6 225)	2 375	4 496	4 758
Other provisions		841	842	793	860	860	860	860	891	910	920
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	12 133	10 532	10 804	13 791	24 660	24 660	24 660	29 000	17 500	–
Total Application of cash and investments:		**15 558**	**21 627**	**23 848**	**40 445**	**47 202**	**47 202**	**47 202**	**51 472**	**41 219**	**23 048**
Surplus(shortfall)		**21 991**	**38 862**	**47 662**	**1 640**	**1 972**	**1 972**	**1 972**	**1 134**	**1 634**	**810**

KZN284 uMlalazi - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
Total New Assets	1	**23 551**	**26 436**	**21 416**	**35 985**	**44 556**	**44 556**	**28 545**	**43 097**	**44 952**
Infrastructure - Road transport		17 066	16 687	14 628	22 879	28 587	28 587	7 587	5 878	20 894
Infrastructure - Electricity		347	437	345	580	560	560	2 370	1 750	1 405
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		813	63	2 620	4 402	4 452	4 452	1 550	10 678	11 333
Infrastructure		*18 226*	*17 187*	*17 593*	*27 861*	*33 599*	*33 599*	*11 507*	*18 307*	*33 632*
Community		3 086	5 048	2 613	4 390	6 253	6 253	11 512	18 464	9 709
Heritage assets		–	–	238	–	2 000	2 000	–	–	–
Investment properties		800	–	–	2 100	–	–	–	–	–
Other assets	6	1 439	4 202	972	1 634	2 704	2 704	5 526	6 326	1 611
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	**1 907**	**7 234**	**15 749**	**26 464**	**31 327**	**31 327**	**43 819**	**24 640**	**16 297**
Infrastructure - Road transport		1 060	6 024	10 932	18 669	23 198	23 198	29 131	20 691	9 400
Infrastructure - Electricity		140	–	254	270	270	270	1 343	110	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		130	–	1 927	220	4 480	4 480	7 810	850	1 645
Infrastructure		*1 330*	*6 024*	*13 113*	*19 159*	*27 948*	*27 948*	*38 284*	*21 651*	*11 045*
Community		230	1 210	1 921	450	350	350	–	1 000	3 500
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	347	–	715	6 855	3 029	3 029	5 535	1 989	1 752
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		18 126	22 711	25 560	41 548	51 785	51 785	36 718	26 569	30 294
Infrastructure - Electricity		487	437	599	850	830	830	3 713	1 860	1 405
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		943	63	4 546	4 622	8 932	8 932	9 360	11 528	12 978
Infrastructure		*19 555*	*23 211*	*30 705*	*47 020*	*61 547*	*61 547*	*49 791*	*39 957*	*44 677*
Community		3 316	6 258	4 534	4 840	6 603	6 603	11 512	19 464	13 209
Heritage assets		–	–	238	–	2 000	2 000	–	–	–
Investment properties		800	–	–	2 100	–	–	–	–	–
Other assets		1 786	4 202	1 687	8 488	5 732	5 732	11 061	8 316	3 362
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**25 458**	**33 670**	**37 165**	**62 448**	**75 883**	**75 883**	**72 364**	**67 737**	**61 248**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		212 208	200 451	199 174	245 014	245 014	245 014	253 951	267 863	274 558
Infrastructure - Electricity		39 798	38 116	34 932	39 423	39 423	39 423	40 861	43 099	44 177
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		*252 006*	*238 567*	*234 106*	*284 437*	*284 437*	*284 437*	*294 812*	*310 962*	*318 735*
Community		52 594	57 250	120 388	63 043	63 043	63 043	65 343	68 922	70 645
Heritage assets										
Investment properties		9 401	10 316	11 155	11 926	11 965	11 965	12 785	13 615	14 455
Other assets		151 418	203 592	149 860	178 816	191 881	191 881	211 573	223 163	228 741
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		46	294	271	83	281	281	291	306	366
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**465 465**	**510 019**	**515 781**	**538 305**	**551 607**	**551 607**	**584 804**	**616 968**	**632 942**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		7 548	8 056	26 032	8 932	27 075	27 075	28 484	29 898	31 333
Repairs and Maintenance by Asset Class	3	10 013	10 013	15 035	15 962	16 451	16 451	19 491	20 336	19 426
Infrastructure - Road transport		4 227	4 284	8 372	9 637	10 122	10 122	10 854	11 324	10 817
Infrastructure - Electricity		1 082	1 328	1 400	1 611	1 250	1 250	1 814	1 893	1 808
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		630	797	1 886	827	45	45	2 445	2 550	2 436
Infrastructure		*5 938*	*6 409*	*11 658*	*12 075*	*11 417*	*11 417*	*15 113*	*15 768*	*15 062*
Community		3 405	2 982	2 180	2 509	127	127	2 826	2 948	2 816
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	47	48	56	–	–	63	65	62
Other assets	6, 7	670	575	1 149	1 323	4 907	4 907	1 490	1 555	1 485
TOTAL EXPENDITURE OTHER ITEMS		**17 561**	**18 069**	**41 067**	**24 895**	**43 526**	**43 526**	**47 976**	**50 234**	**50 759**
Renewal of Existing Assets as % of total capex		*7.5%*	*21.5%*	*42.4%*	*42.4%*	*41.3%*	*41.3%*	*60.6%*	*36.4%*	*26.6%*
Renewal of Existing Assets as % of deprecn"		*25.3%*	*89.8%*	*60.5%*	*296.3%*	*115.7%*	*115.7%*	*153.8%*	*82.4%*	*52.0%*
R&M as a % of PPE		*2.2%*	*2.0%*	*3.0%*	*3.0%*	*3.1%*	*3.1%*	*3.4%*	*3.4%*	*3.1%*
Renewal and R&M as a % of PPE		*3.0%*	*3.0%*	*6.0%*	*8.0%*	*9.0%*	*9.0%*	*11.0%*	*7.0%*	*6.0%*

CHART A9 ASSET MANAGEMENT	
2015/2016 MTREF	
DESCRIPTION	BUDGET YEAR 2015/2016R'000
ASSET REGISTER SUMMARY	
INFRASTRUCTURE : ROADS	36 718 130
INFRASTRUCTURE : ELECTRICITY	3 713 000
INFRASTRUCTURE : OTHER	9 360 000
INVESTMENT PROPERTIES	-
COMMUNITY ASSETS	11 511 870
OTHER ASSETS	11 060 900
TOTAL CAPITAL EXPENDITURE	72 363 900



KZN284 uMlalazi - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy:										
Electricity (at least min.service level)		763	528	440	440	275	275	270	270	270
Electricity - prepaid (min.service level)		4 560	3 630	3 756	3 756	3 921	3 921	3 926	3 926	3 926
Minimum Service Level and Above sub-total		5 323	4 158	4 196	4 196	4 196	4 196	4 196	4 196	4 196
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		690	706	726	726	726	726	730	730	730
Below Minimum Service Level sub-total		690	706	726	726	726	726	730	730	730
Total number of households	5	**6 013**	**4 864**	**4 922**	**4 922**	**4 922**	**4 922**	**4 926**	**4 926**	**4 926**
Refuse:										
Removed at least once a week				4 609	4 609	4 622	4 622	5 384	5 384	5 384
Minimum Service Level and Above sub-total		–	–	4 609	4 609	4 622	4 622	5 384	5 384	5 384
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**4 609**	**4 609**	**4 622**	**4 622**	**5 384**	**5 384**	**5 384**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)		2 705	2 762	2 767	2 767	2 321	2 321	2 321	2 321	2 321
Refuse (removed at least once a week)		991	1 123	1 094	1 094	1 069	1 069	1 076	1 076	1 076
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		32	37	37	37	37	37	111	117	125
Refuse (removed once a week)		94	116	129	129	135	135	135	142	149
Total cost of FBS provided (minimum social package)		**126**	**153**	**166**	**166**	**172**	**172**	**246**	**259**	**274**
Highest level of free service provided										
Property rates (R value threshold)		75 000	75 000	75 000	75 000	75 000	75 000	100 000	100 000	100 000
Water (kilolitres per household per month)						–				
Sanitation (kilolitres per household per month)						–				
Sanitation (Rand per household per month)						–				
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)								125	125	125
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		740	754	716	716	776	776	581	612	643
Property rates (other exemptions, reductions and rebates)		8 307	9 957	10 991	10 991	13 108	13 108	31 046	32 695	34 233
Water						–	–			
Sanitation						–	–			
Electricity/other energy		1 048	1 095	1 198	1 198	1 120	1 120	1 336	1 415	1 500
Refuse		1 087	1 396	1 551	1 551	1 560	1 560	1 650	1 703	1 793
Municipal Housing - rental rebates						–	–			
Housing - top structure subsidies	6					–	–			
Other						–	–			
Total revenue cost of free services provided (total social package)		**11 182**	**13 202**	**14 456**	**14 456**	**16 564**	**16 564**	**34 613**	**36 425**	**38 169**

5. OVERVIEW OF ANNUAL BUDGET PROCESS

5.1 Process to prepare the budget

The budget and IDP process occurred according to the budget timetable approved by Council in 28 August 2014. The Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circular No.74 and the LG: MFMA Budget Formats Guide received from National Treasury.

5.2 Service Delivery and Budget Implementation Plan

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:

> **" a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:**
> **(a) projections for each month of-**
> **(i) revenue to be collected, by source; and**
> **(ii) operational and capital expenditure, by vote;**
> **(b) service delivery targets and performance indicators for each quarter".**

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The Service Delivery and Budget Implementation Plan (SDBIP) for the 2015/2016 budget year, is attached as Annexure 4.

5.3 ALIGNMENT OF THE IDP, BUDGET & MUNICIPAL PERFORMANCE MANAGEMENT PROCESSES

Hereunder follows the cyclical linkages of the IDP, Budget and OPMS

MONTH	ACTIVITIES		
	IDP	OPMS	BUDGET
July 2014	• Prepare draft IDP Process Plan for circulation & comments • Submit draft 2015/16 Process Plan to COGTA • IDP Review process initiated. • Ensuring alignment of the Section 55 & 56 Managers individual Scorecards with the IDP strategies • Input into targets and dead-lines on the SDBIP	• Signing of new performance contracts for Section 55 & 56 and submission to EXCO (Section 69 of the MFMA and Section 57 of the MSA). • Prepare Departmental Business Plans SDBIP (Component 3) for the next financial year. • Previous year S57 Managers' Performance Assessments • Adoption of 14/15 SDBIP	Chief Financial Officer discusses the 2015/2016 budget process with the Directors and Managers. Municipal Manager establishes committees and consultation forums (internal and external) for the budget process.
August 2014	• IDP to review comments received from the MEC on the previous year's IDP COGTA submission. This to be done with Senior Managers / steering committee / task team • IDP Process Plan 2015/16 submit to Council for approval and submission to COGTA • Revision or initiation of new sector plans. • Place advertisement for Public participation programme • Confirm composition of Steering Committee / Task team officials representatives • Prepare for Public Participation meetings • CoGTA's feedback on IDP Process Plan assessment	• Quarterly Project Implementation Report (for last quarter of previous year) MPPR Reg. 14 • Quarterly Audit Committee meeting (for the last quarter of previous year) MFMA Sect 166 & MPPR Reg. 14(3)(a) • Performance evaluation panel (for evaluation of Sect 57 Managers final assessments) MPPR Reg.14(3)(b) • Draft Annual Report 2013/14	Submit 2013/14 Unaudited Financial Statements & OPMS of the municipality to Auditor - General, MFMA Sec 126(1) (a). Chief Financial Officer prepares the budget process plan and timetable for the 2015/2016 multi-year budget. Council approval of the 2015/16 Multi-year budget process and timetable

September 2014	• Commence Public Participation meetings • IDP, Steering committee / Task team to formalise Council's Vision, Mission, objectives and strategies • Consultation & alignment with Sector Departments / Service Providers and local municipalities. • Cross Border alignment meetings • Feedback from MEC assessment Panel Feedback to the Steering Committee/Task team regarding MEC's assessment • Review and update of departmental sector plans • Report on progress as per SDBIP • Revise prioritisation in terms of performance • Ward councillors and ward committees submit community request for budget consideration		Budget office issues 5 year capital programme to Mayor and Directors for amendments. Chief Financial Officer holds workshop with senior management to review the prioritization model to be used to compile the capital budget. Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads,
October 2014	• Integration of information from adopted Sector Plans into the IDP Review document. • Review and updating of the IDP Vision, Mission and Objectives. • Cross border municipal alignment • Formulate Strategies with the Task Team • Feedback from Senior Managers on Priorities – Projects – as well as Budget inclusions. • Information sharing meeting/session with all sector departments/service providers and neighbouring local municipalities to ensure that synergy occurs on all levels between the various local IDP documents and to align with the IDP Review document of the District Municipality to achieve more support on the regional scale. • Host IDP Representative Forum meeting	• Auditor General audit of performance measures (MFMA Sect 55(2)) • Sect 57 Managers' quarterly assessments (for first quarter)	Budget office issues blank Operating budget to Mayor and Senior Managers to be used as working documents. Chief Financial Officer issues the 2015/2016 multi-year guideline addressing various budget assumptions, internal budget processes, policies etc. Chief Financial Officer obtains allocations from National and Provincial departments in term of the Draft Division of Revenue Bill. Budget requests from Councillors/ ward committees, fully supported within the IDP document, be submitted to the Municipal Manager in order for the relevant Director to determine the financial and operational impacts of such requests.

	• Participate in the District IDP and Budget Roadshows • Participate in the Budget information session with the Mayor		
November 2014	• Consultation & alignment with Sector Departments / Service Providers and local municipalities. • Review and drafting of initial changes to IDP • Participate in the Budget information session with Mayor. • Forward community request to various departments	• Quarterly Project Implementation Report (for first quarter) MPPR Reg. 14 • Quarterly Audit Committee meeting (for the first quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a)	Chief Financial Officer discusses with Directors/ Managers the draft capital projects for the 2015/2016 multi-year budget Submission of the public participation report to the Mayor. Submission of the draft 5 year capital programme according to the Council's strategic objectives, as set out in the Integrated Develop Plan. Municipal Manager does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials, MFMA s 35, 36, 42; MTBPS Submission of the draft operating estimates for the 2015/2016multi- year budget, analysed according to activities aligned to the Council's strategic objectives, as set in the Integrated Development Plan. Directors to submit business plans for their department's Equitable Share grant allocations spending for the 2015/2016 budget year.
December 2014	• Review KPI's and targets • Attend IDP Best Practise Conference with COGTA • Task Team meeting for strategy reviews • Report on progress as per SDBIP • Participate in the alignment of the Draft Capital estimates to the IDP	• Compile annual report (MFMA Sect 121)	On receipt of the audit report, the Municipal Manager must address issues raised by the Auditor-General and prepare action plans to address issues and include these in the annual report, MFMA s131 (1). Municipal Manager and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year performance as per audited financial statements. Directors to perform a mid-year financial review on the current year's (2014/2015) budget and revise estimates to submit an Adjustments

			budget to Council if considered necessary.
January 2015	• Preparation of draft IDP Review • IDP Review integration phase	• Mayor tables annual report MFMA Sect 127 • Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 21a) • Sect 57 Managers' quarterly assessments (for second quarter) • Approve Annual Report 2013/2014)	Chief Financial Officer discusses the draft operating and capital estimates for the 2015/2016 multi-year budget with Directors. Submission of adjustments budget, mid-year budget and performance assessment report to Budget Steering Committee. Directors Align the Draft operating estimates to IDP. Municipal Manager submits 2013/14 Annual report to Council. Submission of adjustments budget, mid-year budget and performance assessment report to Council. Directors submit cash flow projections for the 2015/2016 capital expenditure and draft SDBIP for the 2015/16 budget year.
February 2015	• Conclusion of Sector Plans initiated and integration into the IDP Review report. • Finalise outstanding MEC assessment issues. • Draft IDP & Budget- Prioritization & Budget allocation • Participate in the review of the Mid-year visit Report by National Treasury and implementation of any recommendations	• Quarterly Project Implementation Report (for second quarter) MPPR Reg. 14 • Quarterly Performance Audit Committee meeting (for the second quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a) • Submit Annual Report to AG, Provincial & DTLGA (MFMA Sect 127)	Municipal Manager submits to National and Provincial Treasury in both printed and electronic form the adjustments budget, mid-year budget and performance assessment within 10 working days of Council meeting. Municipal Manager make public the adjustments budget, mid-year budget and performance assessment report by placing it on the municipal website. Chief Financial Officer discuss with Directors Draft Capital and Operating estimates for the 2015/16 Multi-year budget.

March 2015	• Alignment with local municipalities' IDPs • Council workshop of final draft IDP & budget - Prioritization & Budget allocation • Council to adopt the final draft Budget & IDP and resolve to advertise for public comment. • Draft IDP submission to COGTA by end of March 2015. • Report on progress as per SDBIP	• Council to consider and adopt and oversight report [Due by 31 March **MFMA Sec 129(1)**] • Set performance objectives for revenue for each budget vote (MFMA Sect 17) • Annual Customer Satisfaction Survey (to be consolidated to annual report) MSA Sect 40	Municipal Manager/CFO Submit draft Capital and Operating estimates for the 2015/2016 budget year to Budget Steering Committee. Municipal Manager/ CFO Table draft of 2015/2016 multi - year budget to Council.
April 2015	• Publish draft Budget & IDP for comment • Assess & incorporate comments – adjust the IDP & budget where necessary. • Attend assessment week by COGTA • Report back on the results of the Assessment Feedback	• Strategies, Objectives, KPA's, KPI's and targets and inclusion into IDP Review report. • S57 Managers' Quarterly Performance Assessments • Publicise Annual Report [Due by 7 April **MFMA Sec 129(3)**] • Submit Annual Report to Provincial Legislature/MEC Local Government [Due by 7 April **MFMA Sec 132(2)**]	Municipal Manager/ CFO makes public the tabled draft budget and supporting documentation within 10 working days after being approved by Council. Tabled draft 2015/2016 multi-year budget, Draft IDP and Draft SDBIP in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council. Mayor/Municipal Manager/ CFO undertake a 4 week community consultation process of the draft budget. Chief Financial Officer revises the draft budget from inputs received from the community, National and Provincial Treasury, if required.
May 2015	• Final approval of IDP& Budget by Council	• Implementation report (for third quarter) MPPR Reg. 14 • Quarterly Audit Committee meeting (for third quarter) MFMA Sect 166 & MPPR Reg. 14(3)(a) • Annual review of organisational KPIs (MPPR Reg 11) • Review annual organisational performance targets (MPPR Reg 11)	Municipal Manager/CFO submit revised 2015/2016 multi-year budget to Budget Steering Committee. Mayor revise budget, IDP and SDBIP, incorporating inputs received from community, National and Provincial Treasury, tabled at Council for approval.
June 2015	• Submission of approved IDP to COGTA • Report on progress as per SDBIP		Corporate Services Director publishes the approved budget and tariffs for the 2015/2016

	• Prepare IDP Process Plan for the 2016/2017 IDP.		budget year. Make public the approved budget and supporting documentation within 10 working days after being approved by Council. Approved 2015/2016 multi-year budget, IDP and SDBIP in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council.

5.4 Consultation process

The 2015/2016 Budget and MTREF was tabled before Council on 31 March 2015 for community consultation. It was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The proposed consultation meetings with the community were scheduled as follows:

Date	Time	Venue	Ward
14 April 2015	17:00	Eshowe Community Hall	11
16 April 2015	17:00	Mtunzini Community Hall	19
19 April 2015	11:00	Mvuzane Tribal Court	1
26 April 2015	11:00	Ndlangubo Tribal Court	24

Overview of alignment of annual budget with Integrated Development Plan

6.1 Hereunder follows the implementation plan

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT														
KEY CHALLENGE	OBJECTIVE REF.	OBJECTIVE	STRAT REF.	STRATEGY (strategic activity)	PERFORMANCE INDICATOR	5 YR TARGETS					TARGET & YR (IF OUTSIDE 5 YR PERIOD)	TOTAL BUDGET	SOURCE	ACCOUNTABILITY
						YR1 15/16	YR2 16/17	YR3 17/18	YR4 18/19	YR5 19/20				
	1.1	To improve Service Delivery and the image of uMlalazi Municipality	1.1.1	Fill all funded prioritized vacant posts in the organogram	No. of funded prioritized vacant posts filled	_____ of funded prioritized vacant posts filled (R9 000 000)	_____ of funded prioritized vacant posts filled (R5 000 000)	_____ of funded prioritized vacant posts filled (R4 000 000)	_____ of funded prioritized vacant posts filled	_____ of funded prioritized vacant posts filled	2015/16	19 264 890	Own Funding, Equitable Share	Municipal Manager
			1.1.2	To ensure that all S54/56 Performance Agreements are signed by 31 July 2015.	No of S54/56 Performance Agreements signed by 31 July 2015	6 x Performance Agreements to signed by 31 July 2015 (R4 560)	7 x Performance Agreements to signed by 31 July 2016 (R4 880)	7 x Performance Agreements to signed by 31 July 2017 (R5 220)	7 x Performance Agreements to signed by 31 July 2018 (R5 590)	7 x Performance Agreements to signed by 31 July 2019 (R5 980)	2015/16	26 230	Internal Funding	Municipal Manager
	1.2	Organisational Skills Development and Capacity Building	1.2.1	Implement and support internship, learnership and in-service training programmes	Number of reports submitted to LLF on intership, learnership and in-service trainings/programmes implemented	4 reports to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented (R180 000)	4 reports to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented (R180 000)	4 reports to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented (R180 000)	4 reports to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented (R180 000)	4 reports to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented (R180 000)	2015/16	1 200 000	Internal Funding	Human Resources / ALL
			1.2.2	Undertake training for staff and Councillors as per skills development plan by 30 June 2015	Percentage of budget spent on Councillors and staff training by 30 June	Percentage of budget spent on Councillors and staff training by 30 June (R748 420)	------- Councillors and staff trained by 30 June (R256 000)	------- Councillors and staff trained by 30 June (R269 820)	------- Councillors and staff trained by 30 June (R288 710)	------- Councillors and staff trained by 30 June (R303 150)	2015/16	1 3260 560	Internal Funding	Human Resources

	1.3	Policy Development	1.3.1	Develop new Policies and Review existing Policies	Number of new Policies developed & existing Policies reviewed	2 HR Policies developed & 2 outdated policies reviewed	2 HR Policies developed & 2 outdated policies reviewed	2 HR Policies developed & 2 outdated policies reviewed	2 HR Policies developed & 2 outdated policies reviewed	2 HR Policies developed & 2 outdated policies reviewed	2015/16		Internal Funding	Human Resources / ALL
	1.4	To Improve Contract Management	1.4.1	Conduct needs assessment for use of Service Providers and monitoring of Service Providers in terms of SLA	Date of approval of Needs assessment by Exco & number of report submitted to EXCO on the performance of Service Providers	Needs assessment to be approved by Exco by 31 March 2016 & quarterly reports to be submitted to EXCO on the performance of Service Providers (R19 280)	Needs assessment to be approved by Exco by 31 March & quarterly reports to be submitted to EXCO on the performance of Service Providers (R19 280)	Needs assessment to be approved by Exco by 31 March & quarterly reports to be submitted to EXCO on the performance of Service Providers (R19 280)	Needs assessment to be approved by Exco by 31 March & quarterly reports to be submitted to EXCO on the performance of Service Providers (R19 280)	Needs assessment to be approved by Exco by 31 March & quarterly reports to be submitted to EXCO on the performanc e of Service Providers (R19 280)	2015/16	0	Internal Funding	All
			1.4.2	Ensure updating of Contracts Register	Number of Reports submitted to EXCO on updates done on Contracts Register	Quarterly reports to be submitted to EXCO on updates done on Contracts Register	Quarterly reports to be submitted to EXCO on updates done on Contracts Register	Quarterly reports to be submitted to EXCO on updates done on Contracts Register	Quarterly reports to be submitted to EXCO on updates done on Contracts Register	Quarterly reports to be submitted to EXCO on updates done on Contracts Register				

	1.5	Improve ICT Systems within the Municipality (Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website)	1.5.1	Submit Quarterly reports to ICT Steering on ICT Systems (Computer, Document Management Systems, Communication, Switchboard, Website) in the organisation	Number of reports submitted to ICT Steering Committee ICT Systems	4 reports to be submitted to ICT Steering Committee on ICT Systems Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website (R30 000)	4 reports to be submitted to ICT Steering Committee on ICT Systems Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website (R30 000)	4 reports to be submitted to ICT Steering Committee on ICT Systems Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website (R30 000)	4 reports to be submitted to ICT Steering Committee on ICT Systems Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website (R30 000)	4 reports to be submitted to ICT Steering Committee on ICT Systems Computer Audits, Document Management Systems, Communication Plan, Switchboard, Website (R30 000)	2015/16	30 000	FMG	Finance / Corporate
			1.5.2	Implementation of MSP (Master Systems Plan)	No of reports of Implementation of recommendations of MSP and ICT Committee to Audit Committee	4 reports to be submitted to Audit Committee	4 reports to be submitted to Audit Committee	4 reports to be submitted to Audit Committee	4 reports to be submitted to Audit Committee	4 reports to be submitted to Audit Committee	2015/16	326 170	Internal Funding	Finance
	1.6	Ensure effective and efficient Municipal Administration & Communication	1.6.1	Administer Council, EXCO, Portfolio and staff meetings	No. Of Council, EXCO, Portfolio and staff meetings held	Ensure Quarterly Council, monthly EXCO & Finance and bi-monthly Portfolio Committee meetings are held) (R715 740)	Ensure Quarterly Council, monthly EXCO & Finance and bi-monthly Portfolio Committee meetings are held (R965 930)	Ensure Quarterly Council, monthly EXCO & Finance and bi-monthly Portfolio Committee meetings are held (R1 034 070	Ensure Quarterly Council, monthly EXCO & Finance and bi-monthly Portfolio Committee meetings are held R1 106 4560	Ensure Quarterly Council, monthly EXCO & Finance and bi-monthly Portfolio Committee meetings are held (R1 183 910	2015/16	3 899 650	Internal Funding	ALL

			1.6.2	Implementation of communication strategy	Number of Reports submitted to the Portfolio Committee on the Implementation of the communication strategy	4 reports to be submitted to the Portfolio Committee on the Implementation of the communication strategy (R48 320)	4 reports to be submitted to the Portfolio Committee on the Implementation of the communication strategy (R51 700)	4 reports to be submitted to the Portfolio Committee on the Implementation of the communication strategy (R55 320)	4 reports to be submitted to the Portfolio Committee on the Implementation of the communication framework/strategy (R59 190)	4 reports to be submitted to the Portfolio Committee on the Implementation of the communication framework/strategy (R63 340)	2015/16	277 870	Internal Funding	Corporate
	1.7	Strengthen and Improve Employment Equity in the Municipality	1.7.1	Implementation of EEP in compliance with approved employment equity plan and report to LLF	Number of reports submitted to LLF on the compliance with EEP	4 reports to be submitted to LLF on compliance with Employment Equity Plan (R4 880))	4 reports to be submitted to LLF on compliance with Employment Equity Plan (R4 880)	4 reports to be submitted to LLF on compliance with Employment Equity Plan (R5 220)	4 reports to be submitted to LLF on compliance with Employment Equity Plan (R5 590)	4 reports to be submitted to LLF on compliance with Employment Equity Plan (R5 980)	2015/16	26 230	Internal Funding	Municipal Manager
	1.8	To Expand the existing Municipal infrastructure / buildings	1.8.1	Ensure the provision of adequate office space within one civic centre by expanding the existing civic centre at Hutchinson Street by 31 May 2016.	Number of reports submitted to Portfolio Committee on the expansion of the existing Civic centre	4 reports to Portfolio Committee R9 000 000	4 reports to Portfolio Committee R9 000 000	4 reports to Portfolio Committee R5 000 000	4 reports to Portfolio Committee R4 000 000	0		27 000 000	Internal Funding	Engineers (C)

			1.8.2	Ensure that the plan for the new Testing Station is completed by 30 June 2016	Date of completion of plans for the new Testing Station	The plans for the new Testing Station to be finalised by 30 June 2016								Protection Services
		KPA 2: SERVICE DELIVERY												
KEY CHALLENGE	**OBJECTION REF.**	**OBJECTION**	**STRAT REF.**	**STRATEGY**	**PERFORMANCE INDICATOR**	**5 YR TARGETS**					**TARGET & YR (IF OUTSIDE 5 YR PERIOD)**	**BUDGET**	**SOURCE**	**ACCOUNTABILITY**
						YR1 15/16	**YR1 16/17**	**YR1 17/18**	**YR1 18/19**	**YR1 19/20**				
	2.1	To provide Basic Services to all households and address Service Delivery Backlogs	2.1.1	Compile an Indigent Register for uMlalazi Municipality area	Date of approval of Indigent Register	Indigent Register & Policy to be approved by 30 June 2016 (R1000000)	Maintain Indigent Register and report annually to Exco by 30 June 2017	Maintain Indigent Register and report annually to Exco by 30 June 2017	Maintain Indigent Register and report annually to Exco by 30 June 2017	Maintain Indigent Register and report annually to Exco by 30 June 2017	2015/16	3 000 000	Equitable Share	Finance
			2.1.2	Provide free basic services to all indigent households with available resources	Number of households with access to free basic services	10710 Households with access to free basic refuse and 2300 households with access to free basic electricity (R2 750 290	10710 Ho useholds with access to free basic refuse and 2300 households with access to free basic electricity (R2 906 940	10710 Households with access to free basic refuse and 2300 households with access to free basic electricity R3 074 250	10710 Households with access to free basic refuse and 2300 households with access to free basic electricity R3 227 960	10710 Households with access to free basic refuse and 2300 households with access to free basic electricity R3 389 360		15 348 800	Equitable Share	Finance / Community
			2.1.3	Replacement of existing conventional meters with pre-paid meters in terms of cost saving initiative.	Percentage of meters replaced as per requests received	100% meters replaced in terms of requests received (R150 000)	100% meters replaced in terms of requests received (R300 000)	100% meters replaced in terms of requests received (R300 000)	0	0		750 000	Equitable Share	Engineering (E)

	2.2	Facilitate with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	2.2.1	Attend quarterly alignment meetings with Uthungulu District Municipality	Number of alignment meetings attended with UDM	4 meetings to be attended (R19 280)	4 meetings to be attended (R20 630)	4 meetings to be attended (R22 080)	4 meetings to be attended (R23 630)	4 meetings to be attended (R25 280)		110 900	Internal Funding	Engineers (C)
	2.3	Facilitate with Eskom to ensure alignment of Electricity provisioning to all Municipal areas	2.3.1	Attend quarterly alignment meetings with Eskom	Number of alignment meetings attended with Eskom	4 alignment meetings to be attended with Eskom (R20 510)	4 alignment meetings to be attended with Eskom (R21 940)	4 alignment meetings to be attended with Eskom (R23 480)	4 alignment meetings to be attended with Eskom (R25 130)	4 alignment meetings to be attended with Eskom (R26 890)		117 950	Internal Funding	Engineering (E)
			2.3.2	Investigate and implement green energy programmes in relation to energy saving projects such as solar water geysers	No of reports submitted to portfolio committee on implementation of project	4 reports submitted to Portfolio Committee (R20 510)	4 reports submitted to Portfolio Committee (R21 940)	4 reports submitted to Portfolio Committee (R23 480)	4 reports submitted to Portfolio Committee (R25 130)	4 reports submitted to Portfolio Committee (R26 890)		117 950	Internal Funding	Engineering
	2.4	Ensure the effectiveness of waste management services in all areas and the provision of recycling facilities at appropriate locations)	2.4.1	Submit reports to the Portfolio Committee on the effectiveness of waste management services in all wards	Number of reports submitted to the Portfolio Committee on the effectiveness of waste management services in all wards	4 reports to be submitted to the Portfolio Committee on the expansion of waste management services in all wards R2345 940	4 reports to be submitted to the Portfolio Committee on the expansion of waste management services in all wards R2370 920	4 reports to be submitted to the Portfolio Committee on the expansion of waste management services in all wards R2422 730	0	0		7 139 590	Equitable Share	Community

	2.5	Ensure the provision and maintenance of municipal roads, access roads and causeways	2.5.1	Construct 15km of road / causeways as per MIG budget by 30 June 2016	Km of roads upgraded by 30 June 2015	15kms of road to be upgraded by 30 June 2015 (R19 280)	15kms of road to be upgraded by 30 June 2016 (R20 630)	15kms of road to be upgraded by 30 June 2017 (R22 080)	15kms of road to be upgraded by 30 June 2018 (R23 630)	15kms of road to be upgraded by 30 June 2019 (R25 280)		110 900	Internal Funding	Engineers (C)
			2.5.2	Review of Pavement Management Systems (Urban Roads)		Review Pavement Management Systems (Urban Roads) by 30 June (R350 000)	0	0	0	0				
			2.5.3	Ensure the Upgrade/rehabilitation of 2km of urban roads as per MIG/capital budget	km of urban roads upgraded / rehabilitated by 30 June 2015	2kms of road upgraded R5 400 000	5kms of road upgraded R5 400 000	5kms of road upgraded R5 400 000	5kms of road upgraded R8 100 000	5kms of road upgraded R10 000 000		34 300 000	Equitable Share	Engineering
			2.5.4	Implement rural roads programme with hired graders by grading 2000km of rural access road	Km of roads graded by 30 June 2015	2000kms of road graded by 30 June 2015 R8379250	2000kms of road graded by30 June 2016 R8850000	2000kms of road graded by 30 June 2017 R9350000	0	0		26 579 250	Equitable Share	Engineers (C)
	2.6	To facilitate adequate provisioning and management of community facilities at appropriate locations	2.6.1	Facilitate the transfer of rural community facilities to the municipality	No of reports submitted to Portfolio Committee on transfers of rural community facilities	4 reports submitted to Portfolio Committee (R30 550)	4 reports submitted to Portfolio Committee (R32 690)	4 reports submitted to Portfolio Committee (R34 980)	4 reports submitted to Portfolio Committee (R37 430)	4 reports submitted to Portfolio Committee (R40 050)		175 700	Internal Funding	Community

	2.7	Plan and support the acceleration of sustainable human settlement	2.7.1	Review the Housing Sector Plan by 30 June and submit quarterly reports on implementation of housing projects to Portfolio Committee	Date of Review of Housing Plan and number of reports submitted to Portfolio Committee on progress of implementation of housing projects	Housing Sector Plan to be reviewed by 30 June and 4 reports to be submitted to Portfolio Committee on progress of implementation of housing projects 0	Housing Sector Plan to be reviewed by 30 June 2016 and 4 reports to be submitted to Portfolio Committee on progress of implementation of housing projects (R250 000)	Housing Sector Plan to be reviewed by 30 June 2017 and 4 reports to be submitted to Portfolio Committee on progress of implementation of housing projects 0	Housing Sector Plan to be reviewed by 30 June 2018 and 4 reports to be submitted to Portfolio Committee on progress of implementation of housing projects 0	Housing Sector Plan to be reviewed by 30 June 2019 and 4 reports to be submitted to Portfolio Committee on progress of implementation of housing projects 0		250 000	Internal Funding	Corporate
	2.8	Formalise trading areas in the Municipality area	2.8.2	Ensure the provision of commuter and trading shelters in KDS & Ging by 30 June	Date of completion of Trading Shelters in Ging & KDS	Trading shelters to be completed by 30 June 2016 in KDS & Ging (R1 000 000)	4 reports submitted to Portfolio Committee (R59 210)	4 reports submitted to Portfolio Committee (R63 360)	4 reports submitted to Portfolio Committee (R67 800)	4 reports submitted to Portfolio Committee (R72 540)		318 250	Capital Equitable Share	LED
	2.9	Ensure quality control of infrastructure projects	2.9.1	Undertake site visits to Capital projects	Number of site visits undertaken on Capital projects	100 site visits to be undertaken 0	100 site visits to be undertaken 0	100 site visits to be undertaken) 0	0	0		0	Internal Funding	Engineers (C)
	2.10	Mitigate the effectiveness of disasters	2.10.1	Ensure the functionality of Disaster Management in the Municipality and submit quarterly reports to the Portfolio Committee	Number of reports submitted to Portfolio Committee on the functionality of Municipal Disaster Management	4 reports to be submitted to Portfolio Committee on establishment and functionality of the Municipal Disaster Management Forum (R3125340)	4 reports to be submitted to Portfolio Committee on establishment and functionality of the Municipal Disaster Management Forum	4 reports to be submitted to Portfolio Committee on establishment and functionality of the Municipal Disaster Management Forum	4 reports to be submitted to Portfolio Committee on establishment and functionality of the Municipal Disaster Management Forum	4 reports to be submitted to Portfolio Committee on establishment and functionality of the Municipal Disaster Management Forum		3125340	Capital	Protection

	2.11	Facilitate the Implementation of Operation Sukuma Sakhe (Flagship Programme)	2.11.1	Report quarterly on the Operation Sukuma Sakhe initiatives implemented in all wards	Number of reports submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	4 reports to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards (R350 000)	4 reports to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	4 reports to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	4 reports to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	4 reports to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemente d in all wards		R250 000	Equitable Share	Municipal Manager
	2.12	Provide for the cemetery needs in the Municipal area	2.12.1	Submit reports to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Number of reports submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 reports to be submitted to Portfolio Committee on initiatives implemente d to provide for cemetery needs in the municipal area				Community Services
	2.13	Contribute towards the development of Sports in the Municipal area	2.13.1	Report to the Portfolio Committee on the Sports Development Programmes initiated	Number of reports submitted to the Portfolio Committee on Sports development programmes initiated	4 reports to be submitted to Portfolio Committee on Sports development programmes initiated R1 300 000	4 reports to be submitted to Portfolio Committee on Sports development programmes initiated	4 reports to be submitted to Portfolio Committee on Sports development programmes initiated	4 reports to be submitted to Portfolio Committee on Sports development programmes initiated	4 reports to be submitted to Portfolio Committee on Sports developmen t programme s initiated				Community Services
	2.14	Contribute towards the prevention of Crime	2.14.1	Report to the Portfolio Committee on crime prevention strategies implemented in partnership with the relevant stakeholders	No of reports submitted to Portfolio Committee on crime prevention strategies implemented	4 reports to be submitted to Portfolio Committee on crime prevention strategies implemented	4 reports to be submitted to Portfolio Committee on crime prevention strategies implemented	4 reports to be submitted to Portfolio Committee on crime prevention strategies implemented	4 reports to be submitted to Portfolio Committee on crime prevention strategies implemented	4 reports to be submitted to Portfolio Committee on crime prevention strategies implemente d				Protection Services

	2.15	Facilitate early childhood development	2.15.1	Ensure an healthy environment for childhood development	Number of creches visited to ensure and health environment for childhood development	12 creches to be visited and submit report to Portfolio Committee	12 creches to be visited and submit report to Portfolio Committee	12 creches to be visited and submit report to Portfolio Committee	12 creches to be visited and submit report to Portfolio Committee	12 creches to be visited and submit report to Portfolio Committee			Internal Funding	Community Services
		KPA 3: LOCAL ECONOMIC & SOCIAL DEVELOPMENT												
KEY CHALL ENGE	**OBJECTION REF.**	**OBJECTIVE**	**STRAT REF.**	**STRATEGY**	**PERFORMAN CE INDICATOR**	**5 YR TARGETS**					**TARGET & YR (IF OUTSIDE 5 YR PERIOD)**	**BUDGET**	**SOURCE**	**ACCOUNT ABILITY**
						YR1 15/16	**YR1 16/17**	**YR1 17/18**	**YR1 17/18**	**YR1 19/20**				
	3.1	Local Economic Development	3.1.1	Ensure that businesses within uMlalazi Municipality are licensed through the LED department	Number of reports submitted to the Portfolio Committee on Businesses licenced	4 reports to be submitted to the Portfolio Committee on business licences	4 reports to be submitted to the Portfolio Committee on business licences	4 reports to be submitted to the Portfolio Committee on business licences	4 reports to be submitted to the Portfolio Committee on business licences	4 reports to be submitted to the Portfolio Committee on business licences			Internal Funding	LED
			3.1.2	Ensure a fully functional Youth Business Advisory Centre by providing assistance to youth to register co-opts and businesses and submit reports to the Portfolio Committee	Number of reports submitted to the Portfolio Committee on assistance provided by the Youth Business Advisory Centre to co-opts and businesses	Database to be approved by 30 June (R200 000)	Database to be reviewed by 30 June (R59 210)	Database to be reviewed by 30 June (R63 360)	Database to be reviewed by 30 June (R67 800)	Database to be reviewed by 30 June (R72 540)		318 250	Internal Funding	LED
			3.1.3	Promote Local Economic Development by implementing LED & Tourism initiatives across Municipal area with available resources and submit reports to the Portfolio Committee	Number of reports submitted to the Portfolio Committee on LED & Tourism initiatives	4 Reports submitted to Portfolio Committee on the Implementation of LED & Tourism initiatives across Municipal area with available resources	4 Reports submitted to Portfolio Committee on the Implementation of LED & Tourism initiatives across Municipal area with available resources	4 Reports submitted to Portfolio Committee on the Implementation of LED & Tourism initiatives across Municipal area with available resources	4 Reports submitted to Portfolio Committee on the Implementation of LED & Tourism initiatives across Municipal area with available resources	4 Reports submitted to Portfolio Committee on the Implementation of LED & Tourism initiatives across Municipal area with available resources				

	3.2	Contribute towards the reduction of unemployment	3.2.1	Create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Number of jobs created through various municipal projects / EPWP programmes	1650 Jobs to be created through various Municipal projects / EPWP programmes R400 000	1650 Jobs to be created through various Municipal projects / EPWP programmes R2000000	1650 Jobs to be created through various Municipal projects / EPWP programmes R2000000	1650 Jobs to be created through various Municipal projects / EPWP programmes R2000000	1650 Jobs to be created through various Municipal projects / EPWP programmes R2000000		10 100 000	EPWP Grant	ALL
KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT														
KEY CHALLENGE	**OBJECTION REF.**	**OBJECTIVE**	**STRAT REF.**	**STRATEGY**	**PERFORMANCE INDICATOR**	**5 YR TARGETS**					**TARGET & YR (IF OUTSIDE 5 YR PERIOD)**	**BUDGET**	**SOURCE**	**ACCOUNTABILITY**
						YR1 15/16	**YR1 16/17**	**YR1 17/18**	**YR1 18/19**	**YR1 19/20**				
	4.1	Advance and maintain the financial viability of the Municipality	4.1.1	Enhance revenue collection	% of revenue collection	90% Revenue collection (R157 010)	90% Revenue collection 168 000	90% Revenue collection 179 760	90% Revenue collection 192 340	90% Revenue collection 205 810		902 920	Internal Funding	Finance
			4.1.2	Maintain acceptable norm of municipal liquidity management	Ratio of cash / cost coverage of monthly fixed operating commitments	Maintain acceptable norm 3.00 (R157 010)	Maintain acceptable norm 3.00 (R168 000)	Maintain acceptable norm 3.00 (R179 760)	Maintain acceptable norm 3.00 (R192 340)	Maintain acceptable norm 3.00 (R205 810)		902 920	Internal Funding	Finance
	4.2	Improve the financial performance of the municipality	4.2.1	Minimise service delivery distribution losses	Percentage loss of potential revenue of services delivered	Service Delivery losses for electricity to between 5% -12% (R78 500)	Service Delivery losses for electricity to between 5% -12% (R84 000)	Service Delivery losses for electricity to between 5% -12% (R89 880)	Service Delivery losses for electricity to between 5% -12% (R96 170)	Service Delivery losses for electricity to between 5% -12% (R102 910)		451 460	Internal Funding	Finance & ENgineering
	4.3	Optimise budget implementation in the municipality	4.3.1	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	Percentage of total municipal operating budget spent	90% of budget spent (R715 740)	90% of budget spent R965 930	90% of budget spent R1 034 070	90% of budget spent R1 106 4560	90% of budget spent R1 183 910		3 899 650	Internal Funding	All
			4.3.2	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Percentage of capital budget spent on capital projects identified in the IDP.	90% of budget spent R715 740	90% of budget spent R965 930	90% of budget spent R1 034 070	90% of budget spent R1 106 4560	90% of budget spent R1 183 910		3 899 650	Internal Funding	All

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
KEY CHALL ENGE	OBJECTION REF.	OBJECTIVE	STRAT REF.	STRATEGY	PERFORMAN CE INDICATOR	5 YR TARGETS					TARGET & YR (IF OUTSIDE 5 YR PERIOD)	BUDGET	SOURCE	ACCOUNT ABILITY
						YR1 15/16	YR1 16/17	YR1 17/18	YR1 18/19	YR1 19/20				
	5.1	Clean Audit	5.1.1	To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016 by submitting a report to EXCO on the measures taken to ensure that matters raised in the 2013/14 Audit have been resolved	Date of submission of report to the Executive Committee on the actions taken by management in terms of improving the 2013/2014 Audit Opinion of the Municipality	1 report to be submitted to the Executive Committee by 31 July 2015 on the actions taken by management to improve / maintain the 2015/2016 Audit Opinion of the Municipality (R39 250)	0	0	0	0		750 000	Equitable Share	Engineering
	5.2	Mitigate the Impact of HIV/Aids in the Municipality area	5.2.1	Ensure the effective functioning of uMlalazi Aids Council by ensuring regular meetings are held	No of uMlalazi Aids Council meetings held	4 uMlalazi Aids Council meetings to be held (R16 160)	4 uMlalazi Aids Council meetings to be held (R17 290)	4 uMlalazi Aids Council meetings to be held (R18 500)	4 uMlalazi Aids Council meetings to be held (R19 800)	4 uMlalazi Aids Council meetings to be held (R21 180)		15 280	Internal Funding	Finance
			5.2.2	Approval of HIV/Aids Strategy by 30 June 2016	Date of approval of HIV/Aids Strategy	HIV Aids Plan to be approved by Council by 30 June 2016. (R15 280)	HIV Aids Plan to be reviewed by 30 June 2016. (R16 350)	HIV Aids Plan to be reviewed by 30 June 2017 (R17 490)	HIV Aids Plan to be reviewed by 30 June 2018 (R18 720)	HIV Aids Plan to be reviewed by 30 June 2019 (R20 030)		2 350 280	Internal Funding	Finance
	5.3	To reduce Risk to the Organisation	5.3.1	Review Enterprise Risk Plan	Date of Review of Enterprise Risk Plan	Enterprise Risk Plan to be reviewed by 30 May (R35 790)	Enterprise Risk Plan to be reviewed by 30 May (R48 300)	Enterprise Risk Plan to be reviewed by 30 May (R51 700)	Enterprise Risk Plan to be reviewed by 30 May (R55 320)	Enterprise Risk Plan to be reviewed by 30 May (R59 190)		250 300	Internal Funding	All
			5.3.2	Review Fraud Risk Plan	Date of Review of Enterprise Risk Plan	Fraud Risk Plan to be reviewed by 30 May (R24 160)	Fraud Risk Plan to be reviewed by 30 May (R25 850)	Fraud Risk Plan to be reviewed by 30 May (R27 660)	Fraud Risk Plan to be reviewed by 30 May (R29 600)	Fraud Risk Plan to be reviewed by 30 May (R31 670)		138 940	Internal Funding	Corporate

	5.4	Ensure that public participation structures are established, capacitated and functional	5.4.1	Roll out IDP and Budget public participation through road shows	No of Roadshows / meetings	26 IDP Roadshows to be held by 30 June 2015 (R100 000)	26 IDP Roadshows to be held by 30 June 2015 (R100 000)	26 IDP Roadshows to be held by 30 June 2015 (R100 000)	26 IDP Roadshows to be held by 30 June 2015 (R100 000)	26 IDP Roadshows to be held by 30 June 2015 (R100 000)		500 000	MSIG	Municipal Manager
			5.4.2	Facilitate functionality of all Ward Committees (include training and development) and ensure that 26 Ward Committees are functional by 30 June 2016 in terms of COGTA functionality tests	No of functional Ward Committees in terms of COGTA functionality tests	26 Wards to be functional by 30 June 2015 in terms of COGTA functionality tests R1580000	26 Wards to be functional by 30 June 2015 in terms of COGTA functionality tests R1580000	26 Wards to be functional by 30 June 2015 in terms of COGTA functionality tests R1580000	26 Wards to be functional by 30 June 2015 in terms of COGTA functionality tests R1580000	26 Wards to be functional by 30 June 2015 in terms of COGTA functionality tests R1580000		7 900 000	Equitable Share	Municipal Manager
	5.5	To Promote International and National Relations	5.5.1	Support twinning with Songdal Municipality (Norway)	No of reports	4 reports to be submitted to MCOR (R150000)	4 reports to be submitted to MCOR (R300000)	4 reports to be submitted to MCOR (R200000)	0	0		650 000	Equitable Share	Municipal Manager
			5.5.2	Support Cross Border Partnership	No of reports	4 reports to be submitted to MCOR	4 reports to be submitted to MCOR	4 reports to be submitted to MCOR	0	0			Equitable Share	Municipal Manager
	5.6	To ensure effective oversight by the Municipality	5.6.1	Development of SMART Organisational Performance Management Systems	Date of approval of OPMS by Council	OPMS to be approved as Annexure to IDP by 30 June 2016 ()	OPMS to be approved as Annexure to IDP by 30 June 2017 0	OPMS to be approved as Annexure to IDP by 30 June 2018 0	OPMS to be approved as Annexure to IDP by 30 June 2019 0	OPMS to be approved as Annexure to IDP by 30 June 2020 0	2015/16	100 000	*Internal*	Municipal Manager
			5.6.2	Hold Bi-annual Performance Audit Committee meetings	No of PAC meetings held	2 PAC meetings to be held (R58 800)	2 PAC meetings to be held (R58 800)	2 PAC meetings to be held (R58 800)	2 PAC meetings to be held (R58 800)	2 PAC meetings to be held (R58 800)	2015/16	294 000	Internal Funding	Municipal Manager

			5.6.3	Hold Quarterly Municipal Public Accounts Committee (MPAC) meetings	No. Of MPAC meetings held	4 Quarterly MPAC meetings to be held (R55 340)	4 Quarterly MPAC meetings to be held (R59 210)	4 Quarterly MPAC meetings to be held (R63 360)	4 Quarterly MPAC meetings to be held (R67 800)	4 Quarterly MPAC meetings to be held (R72 540)	2015/16	318 250	Internal Funding	Municipal Manager
			5.6.4	Hold Quarterly Audit Committee meetings	No. of Audit Committee meetings held	4 Quarterly Audit Committee meetings to be held (R58 800)	4 Quarterly Audit Committee meetings to be held (R58 800)	4 Quarterly Audit Committee meetings to be held (R58 800)	4 Quarterly Audit Committee meetings to be held (R58 800)	4 Quarterly Audit Committee meetings to be held (R58 800)	2015/16	294 000	Internal Funding	Municipal Manager
			5.6.5	Submission of annual report to AG	Date of Submission of Annual Report	Annual Report to be submitted by 31 August 2015 to AG (R48 320)	Annual Report to be submitted by 31 August 2016 to AG (R51 700)	Annual Report to be submitted by 31 August 2017 to AG (R55 320)	Annual Report to be submitted by 31 August 2018 to AG (R59 190)	Annual Report to be submitted by 31 August 2019 to AG (R63 340)	2015/16	277 870	Internal Funding	Municipal Manager
			5.6.6	Approval of Oversight Report of annual report	Date of finalisation of oversight report	Oversight report to be finalised by 31 March 2016 (R48 320)	Oversight report to be finalised by 31 March 2017 (R51 700)	Oversight report to be finalised by 31 March 2018 (R55 320)	Oversight report to be finalised by 31 March 2019 (R59 190)	Oversight report to be finalised by 31 March 2020 (R63 340)	2015/16	277 870	Internal Funding	Municipal Manager

		KPA 6: CROSS CUTTING ISSUES												
KEY CHALLENGE	OBJECTION REF.	OBJECTION	STRAT REF.	STRATEGY	PERFORMANCE INDICATOR	5 YR TARGETS					TARGET & YR (IF OUTSIDE 5 YR PERIOD)	BUDGET	SOURCE	ACCOUNTABILITY
						YR1 15/16	YR1 16/17	YR1 17/18	YR1 18/19	YR1 19/20				
	6.1	To ensure sustainable planning and development of the municipal area	6.1.1	Prepare & Review Land Use Management Scheme for Rural and Urban Areas by 30 June 2016	Date of approval of scheme by Council	LUMS to be approved by Council by 30 June 2016 R1000000	Review Urban LUMS by Council by 30 June 2017 R500000	0	0	0		2 000 000	Equitable Share	Planning
			6.1.2	Participate in the management of the coast via the Coastal Management Working Group	No of reports submitted to the Portfolio Committee on Coastal Working Group meetings attended.	4 reports to be submitted to Portfolio Committee (R3 060)	4 reports to be submitted to Portfolio Committee (R3 270)	4 reports to be submitted to Portfolio Committee (R3 500)	4 reports to be submitted to Portfolio Committee (R3 740)	4 reports to be submitted to Portfolio Committee (R4 010)		17 580	Internal Funding	Community
			6.1.3	Develop & Review uMlalazi IDP for by 30 June.	Date of Review IDP	IDP Review to be adopted by 30 June (R55 340)	IDP to be adopted by 30 June (R59 210)	IDP Review to be adopted by 30 June (R63 360)	IDP Review to be adopted by 30 June (R67 800)	IDP Review to be adopted by 30 June (R72 540)		318 250	Internal Funding	Planning
			6.1.4	Database of Municipal land to be reviewed by EXCO by 30 June 2016.	Date of approval of Municipal land databse by EXCO.	Database of Municipal land to be approved by EXCO by 30 June 2016. (R55 340)	Land Register to be reviewed by 31 March (R59 210)	Land Register to be reviewed by 31 March (R63 360)	Land Register to be reviewed by 31 March (R67 800)	Land Register to be reviewed by 31 March (R72 540)		318 250	Internal Funding	Planning

6.2 Breakdown of Operating Expenditure and Capital Expenditure aligned to the IDP

6.2.1 Operating Expenditure

Details	2015/2016 (R)	2016/2017 (R)	2017/2018 (R)
Land use management system (Rural)	1 000 000		
Compile indigent register	1 000 000		
Care taking: rural buildings	300 000	450 000	500 000
Youth development	840 000	550 000	600 000
Early childhood development	350 000	400 000	400 000
Local economic development (LED)	695 000	2 600 000	2 000 000
Poverty alleviation	3 441 800	3 200 000	3 000 000
Rural fire prevention	350 000	400 000	450 000
Sports development	1 300 000	1 300 000	1 300 000
Local Aids Council	500 000	550 000	600 000
Work creation projects	1 454 000	1 300 000	1 300 000
Rural grounds maintenance	300 000	300 000	300 000
Rural roads: Grader programme	9 504 230	10 326 960	9 286 180

6.2.2 Capital Expenditure

Hereunder follows a breakdown of the capital expenditure aligned to the goals and action plans of the IDP:

MIG Allocations for 2015/2016 Financial Year

DESCRIPTION	Ward	2015/2016	2016/2017	2017/2018
HALLS AND OFFICES				
Sqwanjana hall	13	1 700 000	-	-
Emandawe hall	10	-	1 500 000	-
Bongela hall	1	-	1 500 000	-
Mcongweni hall	13	-	1 500 000	-
Banedle hall	16	-		1 700 000
TESTING GROUNDS				
New testing station	11	-	10 078 410	10 893 420
SPORTS FIELDS				
Kwabulawayo sports field	25	8 461 870	7 013 550	-
Emfenyane sports field	14	-	1 600 000	-
Nkume sports field	10	-	-	1 500 000
Sklebheni sports field	23	-	-	1 500 000
CRECHES				
Ngodini creche	26	-	1 000 000	-
Vulamehlo creche	8	-	-	792 760
Ebele creche	25	-	-	513 000
Evonotho creche	21	-	-	513 000
Ntshentshelo classroom	26	-	-	720 000
Lubisane creche	22	-	-	720 000
Kwazikwakhe creche	2	-	-	800 000

ROADS AND CAUSEWAYS				
Kangela street	11	3 760 230	8 190 760	-
Osborn road rehablitation	11	5 793 910	-	-
KDS bus route rehabilitation	12	11 726 700	-	-
Mtipela road	3	3 000 000	-	-
Bele Road	24	4 047 290	4 078 280	-
Hlungwini causeway	5	-	1 500 000	3 135 590
Gingindlovu stormwater	18	-	2 000 000	2 000 000
Mnengweni to Etheneni bus stop	19	-	-	2 057 030
Vekeze road	17	-	-	1 000 000
Emandawe road	10	-	-	1 000 000
Etheni road	21	-	-	3 069 600
Mbabha causeway	2	-	-	1 500 000
Emtilombo causeway	10	-	-	1 700 000
Ezingwenya road	15	-	-	1 500 000
CBD to Industrial area link road	11	-	-	3 594 650
Qhika road	24	-	-	1 956 950
Sub total		38 490 000	39 961 000	42 166 000
PMU ADMIN COSTS		600 000	600 000	600 000
TOTAL		**39 090 000**	**40 561 000**	**42 766 000**

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, revenue and creditor management

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.7%	0.6%	0.4%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.2%	1.0%	0.8%	0.9%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	2.0%	42.4%	44.4%	2.2%	18.1%	18.1%	18.1%	34.8%	30.4%	26.4%
Liquidity											
Current Ratio	Current assets/current liabilities	1.7	1.9	2.4	1.3	1.9	1.9	1.9	2.0	1.7	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.9	2.4	1.3	1.9	1.9	1.9	2.0	1.7	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	1.3	1.6	0.8	1.1	1.1	1.1	1.2	0.9	0.5
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	100.0%	100.0%	99.2%	88.4%	88.4%	88.4%	89.1%	88.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	100.0%	99.3%	88.5%	88.5%	88.5%	89.1%	88.7%	88.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.1%	14.8%	15.6%	11.1%	13.1%	13.1%	13.1%	11.1%	10.2%	8.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		31.1%	41.6%	33.2%	43.5%	40.2%	40.2%	40.2%	50.8%	66.1%	113.2%
Other Indicators											
	Total Volume Losses (kW)	8662000	888000	5206880	5843000	5360063	5360063	5360063	4824057	4341651	3907486
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	8 575	7 055	6 090	6 036	5 842	5 842	5 842	5 258	4 732	4 259
	% Volume (units purchased and generated less units	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units										
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.5%	28.2%	27.0%	30.6%	25.5%	25.5%	25.5%	30.9%	31.5%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	38.8%	34.8%	33.2%	37.9%	31.7%	31.7%		36.9%	37.7%	37.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.1%	5.2%	6.8%	6.8%	6.3%	6.3%		6.8%	6.8%	6.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.0%	4.6%	12.1%	4.1%	10.6%	10.6%	10.6%	10.2%	10.2%	10.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service	33.5	29.8	41.5	26.0	26.0	26.0	30.6	33.2	35.2	37.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received	26.3%	30.1%	34.3%	24.2%	32.8%	32.8%	32.8%	26.6%	23.6%	20.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational	3.4	4.9	5.0	2.7	2.9	2.9	2.9	2.7	2.1	1.1

7.2 Hereunder follows the Financial indicators for Revenue by source and Expenditure by type

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		2 333	5 210	4 695	2 079	3 429	4 687	2 248	2 458	2 561	2 616	2 465	7 218	41 997	44 171	46 605
Property rates - penalties & collection charges													751	751	792	834
Service charges - electricity revenue		4 725	5 408	4 785	5 317	5 242	4 099	4 900	4 232	4 442	4 227	4 980	5 993	58 352	65 861	72 922
Service charges - water revenue													–	–	–	–
Service charges - sanitation revenue													–	–	–	–
Service charges - refuse revenue		929	801	829	979	954	993	1 218	825	817	809	848	826	10 827	11 422	11 977
Service charges - other													–	–	–	–
Rental of facilities and equipment													1 470	1 470	1 551	1 634
Interest earned - external investments		338	338	338	338	338	338	338	338	338	338	338	338	4 055	4 116	4 178
Interest earned - outstanding debtors													374	374	394	415
Dividends received													–	–	–	–
Fines		272	372	253	308	304	241	174	230	334	357	400	20 564	23 809	23 920	24 032
Licences and permits		317	273	365	272	285	213	323	267	314	244	329	399	3 600	3 798	3 999
Agency services													–	–	–	–
Transfers recognised - operational		49 641	3 117	3 008	4 000	47 200	–	–	286	30 026			442	137 720	140 471	152 854
Other revenue		228	228	228	228	228	228	228	228	228	228	228	228	2 739	2 854	2 972
Gains on disposal of PPE													120	120	130	140
Total Revenue (excluding capital transfers and contributions)		**58 784**	**15 745**	**14 501**	**13 521**	**57 981**	**10 800**	**9 429**	**8 863**	**39 059**	**8 819**	**9 588**	**38 723**	**285 814**	**299 481**	**322 561**
Expenditure By Type																
Employee related costs		7 573	7 028	6 924	6 457	6 587	8 325	6 302	8 100	7 564	7 452	7 780	8 118	88 209	94 382	100 985
Remuneration of councillors		1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 447	1 875	17 792	19 038	20 371
Debt impairment		1 799	1 799	1 799	1 799	1 799	1 799	1 799	1 799	1 799	1 799	1 799	1 799	21 583	21 752	21 922
Depreciation & asset impairment		2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	28 484	29 898	31 333
Finance charges				378						378			(0)	756	797	840
Bulk purchases		578	5 539	6 926	3 084	652	6 931	3 417	4 152	3 837	3 491	3 768	3 100	45 474	51 949	59 347
Other materials													–	–	–	–
Contracted services		2 383	2 212	2 179	2 032	2 073	2 620	1 983	2 549	2 380	2 345	2 448	1 755	26 958	25 873	27 063
Transfers and grants		314	291	287	267	273	345	261	335	313	309	322	444	3 760	3 941	4 153
Other expenditure		6 936	6 936	6 936	6 936	6 936	6 936	6 936	6 936	6 936	6 936	6 936	7 739	84 039	84 160	90 936
Loss on disposal of PPE													–	–	–	–
Total Expenditure		**23 403**	**27 625**	**29 250**	**24 397**	**22 140**	**30 775**	**24 518**	**27 692**	**27 029**	**26 151**	**26 874**	**27 202**	**317 057**	**331 790**	**356 950**
Surplus/(Deficit)		**35 381**	**(11 880)**	**(14 749)**	**(10 875)**	**35 841**	**(19 976)**	**(15 090)**	**(18 829)**	**12 031**	**(17 332)**	**(17 287)**	**11 521**	**(31 243)**	**(32 309)**	**(34 389)**
Transfers recognised - capital		869	869	888	3 168	11 696	7 345	3 807	6 739	6 430	4 662	4 990	13 000	64 464	62 829	55 848
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers &		**36 250**	**(11 011)**	**(13 861)**	**(7 708)**	**47 537**	**(12 631)**	**(11 282)**	**(12 090)**	**18 461**	**(12 670)**	**(12 297)**	**24 522**	**33 221**	**30 520**	**21 459**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**36 250**	**(11 011)**	**(13 861)**	**(7 708)**	**47 537**	**(12 631)**	**(11 282)**	**(12 090)**	**18 461**	**(12 670)**	**(12 297)**	**24 522**	**33 221**	**30 520**	**21 459**

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	18 724	209 286	214 353	217 493
Vote 2 - BUDGET AND TREASURY OFFICE		321	321	321	321	321	321	321	321	321	321	321	(679)	2 853	2 947	3 092
Vote 3 - CORPORATE SERVICES		55	55	55	55	55	55	55	55	55	55	55	55	665	835	906
Vote 4 - PLANNING AND DEVELOPMENT		303	303	303	303	303	303	303	303	303	303	303	303	3 637	600	600
Vote 5 - HEALTH		346	346	346	346	346	346	346	346	346	346	346	246	4 050	3 800	4 000
Vote 6 - COMMUNITY AND SOCIAL SERVICES		333	333	333	333	333	333	333	333	333	333	333	333	3 992	4 214	4 428
Vote 7 - HOUSING		14	14	14	14	14	14	14	14	14	14	14	14	167	177	186
Vote 8 - PUBLIC SAFETY		2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	25 265	25 505	25 747
Vote 9 - SPORTS AND RECREATION		278	278	278	278	278	278	278	278	278	278	278	428	3 490	3 272	3 360
Vote 10 - WASTE MANAGEMENT		1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	15 266	16 066	16 869
Vote 11 - ROAD TRANSPORT		1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	13 090	14 110	13 269
Vote 12 - ELECTRICITY		5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 435	68 515	76 432	88 458
Vote 13 - AIR TRANSPORT													–	–	–	–
Vote 14 - WORKSHOP													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 327**	**350 277**	**362 310**	**378 409**
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	9 816	99 874	104 073	109 292
Vote 2 - BUDGET AND TREASURY OFFICE		1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	498	14 781	15 148	16 120
Vote 3 - CORPORATE SERVICES		774	774	774	774	774	774	774	774	774	774	774	774	9 285	10 037	10 904
Vote 4 - PLANNING AND DEVELOPMENT		500	500	500	500	500	500	500	500	500	500	500	500	5 998	2 639	2 773
Vote 5 - HEALTH		678	678	678	678	678	678	678	678	678	678	678	578	8 031	8 052	8 542
Vote 6 - COMMUNITY AND SOCIAL SERVICES		434	434	434	434	434	434	434	434	434	434	434	434	5 214	5 240	5 588
Vote 7 - HOUSING		14	14	14	14	14	14	14	14	14	14	14	14	165	174	184
Vote 8 - PUBLIC SAFETY		4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	48 916	50 823	52 798
Vote 9 - SPORTS AND RECREATION		1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	12 643	12 824	13 549
Vote 10 - WASTE MANAGEMENT		1 524	1 524	1 524	1 524	1 524	1 524	1 524	1 524	1 524	1 524	1 524	1 524	18 286	19 404	20 611
Vote 11 - ROAD TRANSPORT		1 749	1 749	1 749	1 749	1 749	1 749	1 749	1 749	1 749	1 749	1 749	1 749	20 989	22 560	22 308
Vote 12 - ELECTRICITY		6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	5 042	72 170	80 064	93 479
Vote 13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	13	14	15
Vote 14 - WORKSHOP		58	58	58	58	58	58	58	58	58	58	58	58	691	737	788
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Expenditure by Vote		**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 118**	**317 057**	**331 790**	**356 950**
Surplus/(Deficit) before assoc.		**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**3 210**	**33 221**	**30 520**	**21 459**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	**1**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**3 210**	**33 221**	**30 520**	**21 459**

7.4 Hereunder follow the measurable performance objectives for capital by vote

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - EXECUTIVE AND COUNCIL						2 588	1 156	938			1 250		33	5 963	380	92
Vote 2 - BUDGET AND TREASURY OFFICE						52	838				838		550	2 277	632	370
Vote 3 - CORPORATE SERVICES					40	1 735	810	425				300	3 070	6 380	5 545	3 685
Vote 4 - PLANNING AND DEVELOPMENT													10	10	–	–
Vote 5 - HEALTH						790							(530)	260	10	30
Vote 6 - COMMUNITY AND SOCIAL SERVICES						880	305						–	1 185	2 058	4 914
Vote 7 - HOUSING													–	–	–	–
Vote 8 - PUBLIC SAFETY						610	60						250	920	3 890	965
Vote 9 - SPORTS AND RECREATION									1 962	2 242	1 692	1 692	2 312	9 902	11 364	7 650
Vote 10 - WASTE MANAGEMENT										2 270			–	2 270	4 400	500
Vote 11 - ROAD TRANSPORT		1 159	1 159	1 184	4 184	8 941	4 625	3 714	3 843	1 703	2 873	1 253	4 396	39 034	36 697	41 247
Vote 12 - ELECTRICITY							2 000		2 163				–	4 163	2 460	1 795
Vote 13 - AIR TRANSPORT													–	–	–	–
Vote 14 - WORKSHOP													–	–	300	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	**1 159**	**1 159**	**1 184**	**4 224**	**15 595**	**9 793**	**5 076**	**7 968**	**6 216**	**6 653**	**3 246**	**10 091**	**72 364**	**67 737**	**61 248**
Total Capital Expenditure	2	**1 159**	**1 159**	**1 184**	**4 224**	**15 595**	**9 793**	**5 076**	**7 968**	**6 216**	**6 653**	**3 246**	**10 091**	**72 364**	**67 737**	**61 248**

8. OVERVIEW OF BUDGET – RELATED POLICIES

8.1 This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council Resolution.

NO	NAME OF POLICY	LAST DATE OF APPROVAL	NEW ADOPTION DATE	STATUS
1	Asset Management Policy			New
2	Bad Debt Write Off Policy	28/05/2013 Min. no UMC 65/12/13		Amend
3	Borrowing Policy	28/05/2013 Min. no UMC 65/12/13		Review
4	Budget Policy	05/10/2012 Min. no UMC 12/12/13		Amend
5	Credit Control & Debt Collection Policy	28/05/2013 Min. no UMC 65/12/13		Amend
6	Funding and Reserve Policy	28/05/2013 Min. no UMC 65/12/13		Review
7	Indigent Support Policy	28/05/2013 Min. no UMC 65/12/13		Amend
8	Investment and Cash Management Policy			New
9	Property Rates Policy	22/01/2015 UMC 62/14/15		Amend
10	Supply Chain Management Policy	05/06/2013 (Exco Min No. 355/12/13)		Amend
11	Tariff Policy	01/06/2007 (Exco Min No. 01/06/07)		Review

The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

8.2 The following new policies are submitted for consideration to be approved.

- Asset Management Policy as **Annexure 1.**
- Investment and Cash Management Policy as **Annexure 2.**

8.3 The following amendments of the policies are tabled for consideration:

8.3.1 Bad Debt Write Off Policy

12. currently reads

Sundry debtors

- Sundry debtors may be assessed individually like any other debt for impairment, to establish whether any evidence exist that they are not recoverable.

To be amended to read

10. Sundry debtors, Traffic Fines and Vat/Tax related debtors

- Sundry debtors may be assessed individually like any other debt for impairment, to establish whether any evidence exist that they are not recoverable.
- Traffic fines will be assessed for impairment and the provision thereto will be based on the past payment patterns. Council may be approached to consider a write off if it is probable that this debt will not be recovered.
- Vat or Tax related debtors will be assessed for impairment and provision thereto will be made based on the possibility of successful recovery. Council may be approached to consider a write off if it is probable that this debt will not be recovered.

8.3.2 Budget Policy

Section 10 - Budget transfers and virements

Insert two new clauses to read as follows:

(j) Virements are not allowed to utilise any special purpose operation budgetary allocations approved by Council and which is specifically mentioned and highlighted as such during the approval of the budget.

(k) Only the Council may consider the virements of these funds mentioned in (j) above and only after motivations were provided for these virements.

8.3.3 Credit Control and Debt Collection Policy

Insert Section E at the end of the policy to read as follows

SECTION E: MISCELLANEOUS

In an event that the provisions of this policy cannot be complied with, the Chief Financial Officer or his representative will decide on each of those cases based on their merits. In deciding each case referred to herein, the Chief Financial Officer or his representative will ensure that the decision benefits both the uMlalazi Municipality but also accommodates the circumstances of the customer

8.3.4 Indigent Support Policy

Paragraph C – Standard of Service currently reads

Refuse Removal Charges	100% of the actual cost
Rates	Refer to 9.3 of the Rates policy

To be amended to read

Refuse Removal Charges	100% of the actual cost
Rates	100% rebate of the actual annual assessment

Paragraph G- Application for indigent support

Insert a paragraph (ix) to read as follows

(ix) In exceptional circumstances, the Chief Financial Officer or his representative may accept the application forms outside the application window stated in (ii) above. For the purposes of this section, exceptional circumstances will be cases where it can be proven beyond reasonable doubt that the applicant submitting the application late was not in a position to do so timeously as per(ii) above or an unforeseen circumstance has occurred placing the applicant in a position of inability to service the municipal account. Applicants who forgot to renew their applications **will not** be considered under this section.

8.3.5 Property Rates Policy

The following changes must be incorporated to the 2015/2016 rates policy.

Chapter 2

Clause 9 Exemptions and Rebates from Rates

Clause 9.1.4 (j) currently reads

Communal land
- Communal land 50%

To be replaced by

Communal land
- Communal land 100%

Clause 9.3.1 currently reads

d) Whose total household income is as follows:

(i) a single person receiving a total income of R5 690,00 per month or less
(ii) a married couple receiving a joint monthly income of R7 100,00 per month or less.
(iii) a single person receiving a total income of R5 691.00 and more per month. A married couple receiving a joint monthly income of R7 101.00 and more per month.

To be replaced by

d) Whose total household income is as follows:

(i) a single person receiving a total income of R6020.00per month or less
(ii) a married couple receiving a joint monthly income of R7 510.00 per month or less.
(iii) a single person receiving a total income of R6021.00 and more per month. A married couple receiving a joint monthly income of R7 511.00 and more per month.

Clause 9.3.1 currently reads

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

To be replaced by

100% of the rates based on the rateable value up to R100 000.00 and 40% of the rates based on the rateable value above R100 000.00.

100% of the rates based on the rateable value up to R100 000.00 and 20% of the rates based on the rateable value above R100 000.00

8.3.6 SCM Policy

Paragraph 28: Bid Evaluation Committee

Currently read as follows:

The Bid Evaluation Committee will be composed as follows and can include an external specialist advisor: -

(i)	Director Corporate Services	Chairman
(ii)	Manager Financial Services (Expenditure)	Member
(iii)	Senior Manager Engineering (Civil)	Member
(iv)	Senior Manager Compliance	Member
(v)	Director Protection Services	Member

The quorum for the Bid Specification Committee will at least be 3 members which is the majority.

New and amended

The Bid Evaluation Committee will be composed as follows and can include an external specialist advisor: -

(i)	Director Corporate Services	Chairman
(ii)	Manager Financial Services (Expenditure)	Member
(iii)	Senior Manager Engineering (Civil)	Member
(iv)	Director Protection Services	Member

The quorum for the Bid Specification Committee will at least be 3 members which is the majority.

New section under paragraph 12

2. **Procurement of Stores items**

In terms of paragraph 1 above, it is stated that for any procurement that is between R 3001 and R 30 000.00 a quotation authorization form must be done and be authorized as follows:

- Relevant Director or delegated Senior Manager
- Chief Financial Officer
- Municipal Manager

As a result of high volumes with regards to stores items the above procedure is not applicable if commodities procured are stores items.

New section under paragraph 12 (this must be No.3)

Where only one or less than required number of quotations has been received despite following all necessary SCM processes, proof in the form of fax confirmation or e-mail sent will be attached on the procurement documents to show that attempts to comply with the policy were undertaken.

9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In January 2010, Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities.

The municipality is expected to take the 12 outcomes into consideration when reviewing the IDP and developing the annual Budget for the 2015/2016 MTREF. Hereunder follows the 12 outcomes, together with examples of areas where the municipality have a role to play in either contributing directly to the realization of the outcomes or facilitating the work of national and provincial departments in realizing them.

12 Outcomes of Government-role of Local Government

No	Description	Role of Local Government
1	Improve the quality of basic education	• Facilitate the building of new schools by: - Participating in needs assessments - Identifying appropriate land - Facilitating zoning and planning processes • Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections
2	Improve health and life expectancy	• Many municipalities perform health functions on behalf of provinces • Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments. • Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services.
3	All people in South Africa protected and feel safe	• Facilitate the development of safer communities through better planning and enforcement of municipal by laws. • Direct the traffic control function towards policing high risk violations-rather than revenue collection • Metro police services should contribute by: - Increasing police personnel - Improving collaboration with SAPS - Ensuring rapid response to reported crimes
4	Decent employment through inclusive economic growth	• Create an enabling environment for investment by streamlining planning application processes. • Ensure proper maintenance and rehabilitation of essential services infrastructure. • Ensure proper implementation of the EPWP at municipal level • Design service delivery processes to be labour intensive • Improve procurement systems to eliminate corruption and ensure value for money • Utilize community structures to provide services

5	A skilled and capable workforce to support inclusive growth	• Develop and extend intern and work experience programmes in municipalities. • Link municipal procurement to skills development initiatives
6	An efficient, competitive and responsive economic infrastructure network	• Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services • Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport • Maintain and expand water purification works and waste water treatment works in line with growing demand • Cities to prepare to receive the devolved public transport function • Improve maintenance of municipal road networks.
7	Vibrant, equitable and sustainable rural communities and food security	• Facilitate the development of local markets for agricultural produce • Improve transport links with urban centres so as to ensure better economic integration • Promote home production to enhance food security • Ensure effective spending of grants for funding extension of access to basic services.
8	Sustainable human settlements and improved quality of household life	• Cities must prepare to be accredited for the housing function. • Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements • Participate in the identification of suitable land for social housing. • Ensure capital budgets are appropriately prioritized to maintain existing services and extend services.
9	A response and, accountable, effective and efficient local government system	• Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality • Implement the community work programme • Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues. • Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.

10	Protection and enhancement of environmental assets and natural resources	• Develop and implement water management plans to reduce water losses. • Ensure effective maintenance and rehabilitation of infrastructure • Run water and electricity saving awareness campaigns • Ensure proper management of municipal commonage and urban open spaces • Ensure development does not take place on wetlands.
11	A better South Africa, a better and safer Africa and world	• Role of Local Government is fairly limited in this area. Must concentrate on: - Ensuring basic infrastructure is in place and properly maintained. - Creating an enabling environment for investment.
12	A development-orientated public service and inclusive citizenship	• Continue to develop performance monitoring and management systems. • Comply with legal financial reporting requirements • Review municipal expenditures to eliminate wastage • Ensure councils behave in ways to restore community trust in Local Government.

9.2 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2015.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

10. Overview of Budget funding

10.1 Medium term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2015/2016 Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/2016	%	Budget Year 2016/2017	%	Budget Year 2017/2018	%
Property rates	42 748 200	14	44 963 000	14	47 438 840	14
Service charges	69 178 690	25	77 282 670	27	84 898 750	27
Investment revenue	4 054 850	0	4 116 120	0	4 177 570	0
Transfers recognised-operational	137 720 100	49	140 470 980	48	152 853 720	48
Other own revenue	32 111 670	12	32 648 290	11	33 192 200	11
Total Operating Revenue (excluding capital transfers and contributions)	**285 813 510**	**100**	**299 481 060**	**100**	**322 561 080**	**100**
Total Operating Expenditure	**317 056 630**		**331 790 000**		**356 950 320**	
Surplus/(Deficit)	**(31 243 120)**		**(32 308 940)**		**(34 389 240)**	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as electricity, and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc)

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a **95** per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirement;
- The Property Rates Policy in terms of the Municipal Property Rates Act,2004 (Act 6 of 2004)(MPRA), and
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015/2016 MTREF on the different revenue categories are:

Revenue category	2015/2016 proposed tariff increase	2016/2017 proposed tariff increase	2017/2018 proposed tariff increase	2015/2016 additional revenue for each 1% tariff increase	2015/2016 additional revenue owing to % tariff increase	2015/2016 Total Budgeted revenue
Property Rates	Decrease 8.5.%	5.5%	5.3%	427 482	3 099 245	42 748 200
Solid Waste	5.8%	5.5%	5.3%	108 266	998 207	10 826 540
Electricity	12.69%	12.69%	12.69%	586 522	4 674 007	58 352 150
Total				**1 122 270**	**8 771 459**	**111 926 890**

Revenue to be generated from property rates is **R42 748 200** in the 2015/2016 financial year and increase to **R47 438 840** by 2017/2018 which represents **14** per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality has completed the third round of obtaining property valuations in the municipal area. This exercise caused that the basket of valuations to determine new tariffs have increased. Objections are currently awaited from property owners.

Service charges relating to electricity, and refuse removal constitutes the second biggest component of the revenue basket of the municipality totaling **R69 178 690** for the 2015/2016 financial year and increasing to **R84 898 750** by 2017/2018. For the 2015/2016 financial year service charges amount to **25** per cent of the total revenue base and increases by **2** per cent per annum over the medium-term.

Operational grants and subsidies amount to **R137 720 100, R140 470 980** and **R152 853 720** for each of the respective financial years of the MTREF, or **49 , 48 and 48** per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are the biggest component of the revenue basket.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of **R4 054 850 , R4 116 120** and **R4 117 570** for the respective three financial years of the 2015/2016 MTREF. It needs to be noted that theses allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

Non-cash items, such as depreciation, impairment losses and contribution to provisions contributes to the deficit before capital transfers are recognized.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted deficit of **R31 243 120, R32 308 940** and **R34 389 240** in each of the financial years. Non-cash items, such as depreciation, impairment losses and contributions to provisions contributes to the deficit before capital transfers are recognized.

10.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/2016 medium-term capital programme:

Vote Description			**2015/2016 Medium Term Revenue and Expenditure Framework**					
	Budget Year 2014/2015	**%**	**Budget Year 2015/2016**	**%**	**Budget Year +1 2016/2017**	**%**	**Budget Year +2 2017/2018**	**%**
Funded By: National Government Provincial Government	59 070 420	78	64 463 900	89	62 829 020	93	55 848 280	92
Transfers recognized –capital **Public contributions & donations.** **Borrowing internally generated funds**	59 070 420 16 812 300	78 22	64 463 900 7 900 000	89 11	62 829 020 4 907 640	93 7	55 848 280 5 400 000	92 8
Total Capital Funding	**75 882 720**	**100**	**72 363 900**	**100**	**67 736 660**	**100**	**61 248 280**	**100**

Capital grants and receipts equates to **89%** of the total funding source, which represents **R64 464** million for the 2015/2016 financial year.

The following table is a breakdown of the capital transfers and grants:

Description	2011/12	2012/13	2013/14	2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Transfers and Grants							
National Government:	**23 294**	**33 738**	**33 665**	**54 962**	**64 464**	**62 829**	**55 848**
Municipal Infrastructure Grant (MIG)	16 794	26 122	25 836	46 596	38 490	39 961	42 166
EPWP				15			
Finance Management Grant (FMG)				352			
Municipal Systems Improvement Grant (MSIG)					40		40
Equitable Share	6 500	7 616	7 829	8 000	25 934	22 868	13 642
Provincial Government:		**1 068**					
Other capital transfers/grants [insert description] Establishment of pound		1 068					
District Municipality:							
Uthungulu District Municipality							
Other grant providers:				**4 108**			
Sports and Recreation				2 100			
Housing				2 008			
Library Services							
Department Of Minerals & Energy							
Department of Economic Development							
Development Bank of South Africa							
Total Capital Transfers and Grants	**23 294**	**34 806**	**33 665**	**59 070**	**64 464**	**62 829**	**55 848**

10.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category:
- Clear separation of capital and operating receipts from government, which also enables cah from 'Ratepayers and other" to be provided for as cash flow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Budgeted cash flow statement

(R) Thousands	Audited 2011/2012	Audited 2012/2013	Audited 2013/2014	Forecast 2014/2015	Budget 2015/2016	Budget 2016/2017	Budget 2017/2018
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and other	29 413	30 865	3 3831	32 467	40 611	42 715	45 067
Service Charges	52 027	57 500	61 146	54 980	59 120	65 690	72 164
Other revenue	1 307	33 442	26 390	11 203	11 171	11 906	12 337
Government - operating	69 774	90 698	98 519	127 192	137 720	140 471	152 854
Government - capital	22 269	37 131	34 296	48 721	64 464	62 829	55 848
Interest	1 667	2 491	3 074	4 043	4 055	4 116	4 177
Payments							
Suppliers and employees	(147 354)	(191 017)	(205 520)	(235 972)	(254 979)	(285 220)	(310 360)
Finance charges	(770)	(709)	(660)	(714)	(756)	(797)	(840)
Transfers and grants	(2 572)	(2 812)	(2 959)	(3 318)	(3 579)	(3 941)	(4 153)
NET CASH FROM (USED) OPERATING ACTIVITIES	**25 761**	**57 589**	**48 117**	**38 602**	**57 826**	**37 769**	**27 094**
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	2 512	439	254	100	120	130	140
Decrease (increase) in non-current debtors	(2)	5	46	(52)	(3)	2	(5)
Decrease (increase) other non-current debtors							
Decrease (increase) in non-current investments							
Payments							
Capital assets	(24 658)	(34 806)	(37 165)	(60 706)	(54 273)	(47 416)	(45 936)
NET CASH FROM (USED) INVESTING ACTIVITIES	**(22 148)**	**(34 362)**	**(36 865)**	**(60 658)**	**(54 156)**	**(47 284)**	**(45 801)**
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Borrowing long term/refinancing							
Increase (decrease) in consumer deposits	120	56	111	64	105	105	55
Payments							
Repayment of borrowing	(343)	(343)	(343)	(343)	(343)	(343)	(343)
NET CASH FROM (USED) INVESTING ACTIVITIES	**(223)**	**(287)**	**(232)**	**(279)**	**(238)**	**(238)**	**(288)**
NET INCREASE/(DECREASE) IN CASH HELD	**3 390**	**22 940**	**11 020**	**(22 335)**	**3 432**	**(9 753)**	**(18 995)**
Cash/cash equivalents at the year begin	34 158	37 548	60 488	71 508	49 173	52 605	42 852
Cash/cash equivalents at the year end	**37 548**	**60 488**	**71 508**	**49 173**	**52 605**	**42 852**	**23 857**

The above table shows that cash and cash equivalents of the municipality increases between the 2011/2012 and 2014/2015 financial year, moving from a cash balance of **R37 548 000** to a balance of **R49 173 000** with the 2014/2015 forecast.

Various cost efficiencies and savings had to be realized during this period to ensure the municipality could meet its operational expenditure commitments. For the 2015/2016 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term.

10.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (application>cash and investments) is indicative of non compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyze trends to understand the consequences, eg. The budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Cash backed reserves /accumulated surplus reconciliation

(R) Thousands	Audited 2011/2012	Audited 2012/2013	Audited 2013/2014	Forecast 2014/2015	Budget 2015/2016	Budget 2016/2017	Budget 2017/2018
Cash and investments available							
Cash/cash equivalents at the year end	37 548	60 488	71 508	49 173	52 605	42 852	23 857
Other current investments >90 days	-	-	-	-	-	-	-
Non-current assets - investments	1	1	1	1	1	1	1
Total cash and investments available	37 549	60 489	71 509	49 172	52 606	42 853	23 858
Application of cash and investments							
Unspent conditional grants	5 927	14 162	18 175	22 451	14 000	13 500	13 000
Unspent borrowing	5 485	5 142	4 799	4 456	4 456	4 113	3 770
Statutory requirements (VAT)	513	880	739	1 000	750	700	600
Other working capital requirements	(9 341)	(9 931)	(11 463)	(6 225)	(2 375)	4 496	4 758
Other provisions	841	842	793	860	891	910	920
Reserves to be backed by cash/investments	12 133	10 532	10 804	24 660	29 000	17 500	-
Total commitments:	15 558	21 627	23 848	47 202	51 472	41 219	23 048
Surplus/(Shortfall)	**21 991**	**38 862**	**47 662**	**1 972**	**1 134**	**1 634**	**810**

From the above table it can be seen that the cash and investments available total in the 2015/2016 financial year is **R52 605 000** and progressively decreases to **R23 857 000** by 2017/2018, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2014/2015 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants. For the 2015/2016 financial year provision has been made for this liability.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totaled **R750 000** for the 2015/2016 financial year.
- Against other provisions an amount **R891 000** has been provided for the 2015/2016 financial year and this increases to **R920 000** by 2017/2018. This liability is informed by, amongst others, the commuting of staff leave.
- A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality's level of non cash-backing progressively improved over the period 2011/2012 to 2014/2015. The 2015/2016 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

10.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are obtained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Funding measurement

Description	2011/12	2012/13	2013/14	2014/2015	2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures							
Cash/cash equivalents at the year end – R'000	37 548	60 488	71 508	49 173	52 605	42 852	23 857
Cash + investments at the yr end less applications - R'000	21 991	38 862	47 662	1 972	1 134	1 634	810
Cash year end/monthly employee/supplier payments	3.4	4.9	5.0	2.9	2.7	2.1	1.1
Surplus/(Deficit) excluding depreciation offsets: R'000	26 949	36 456	20 359	28 993	33 221	30 520	21 459
Service charge rev % change - macro CPIX target exclusive	0.0%	2.5%	1.5%	(6.0%)	7.2%	3.2%	2.3%
Cash receipts % of Ratepayer & Other revenue	90.6%	123.0%	102.3%	75.6%	77.1%	77.7%	78.3%
Debt impairment expense as a % of total billable revenue	2.3%	1.6%	13.5%	20.5%	19.3%	17.8%	16.6%
Capital payments % of capital expenditure	96.9%	103.4%	100.0%	80.0%	75.0%	70.0%	75.0%
Borrowing receipts % of capital expenditure (excl. transfers)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change – incr(decr)	0.0%	24.4%	21.8%	0.0%	(8.4%)	(3.1%)	(7.7%)
Long term receivables % change - incr(decr)	0.0%	(0.4%)	(1.8%)	0.0%	0.2%	(0.1%)	0.3%
R&M % of Property Plant & Equipment	2.2%	2.0%	3.0%	3.1%	3.4%	3.4%	3.1%
Asset renewal % of capital budget	7.5%	21.5%	42.4%	41.3%	60.6%	36.4%	26.6%

10.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirement.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/2015 MTREF shows **R52 605 000, R42 852 000 and R23 857 000** for each respective financial year.

10.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in section **10.4** The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

10.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been improving for the period 2011/2012 to 2013/2014, moving from **3.4** to **5.0** with the adopted 2013/2014 MTREF. As part of the 2014/2015 MTREF the municipality's cash position causes the ratio to move downwards to **2.5** for the outer years. The municipality aims to achieve at least on month's cash coverage in the medium term, and then gradually towards two months coverage. This measure will have to be carefully monitored going forward.

10.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are sufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/2015 MTREF the indicative outcome is a surplus of **R33 221 000** , **R30 520 000** and **R21 459 000**.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

10.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target.

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be approximation of the real increase in revenue. From the table above it can be seen that the percentage decline totals **7.2, 3.2** and **2.3** per cent for the respective financial years of the 2014/2015 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is **5.8** per cent, with the increase in electricity at **12.69** per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

10.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and creditability of the budget assumptions contained in the budget. It can be seen that the outcome is at **77.1**, **77.7** and **78.3** per cent for each of the respective financial years. Given that the assumed collection rate was based on a **95** per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

10.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a **75** per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

10.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

10.5.9 Consumer debtors change (Current and non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. These are 2 measures shown for this factor; the change in current debtors and the change in long term receivable, both from the Budgeted Financial Position. Both measure show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

10.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because that a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

10.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget since MFMA Circular 28 which was issued in December 2005) is to categories each capital project as a new asset or a renewal/rehabilitation project. The objective is to summaries and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

10.6 Particulars of rates, refuse, electricity tariffs and other charges:

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

10.6.1 The tariffs for consideration are attached as **Annexure 3..**

10.7 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS

2015/2016							0.0093						
SMALL RESIDENTIAL MTUNZINI													
ERF 140/6 MTZ	**2014/2015 FINANCIAL YEAR**				ERF 140/6 MTZ	**2015/2016 FINANCIAL YEAR**						**2016/2017**	**2017/2018**
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE		TOTAL	VAT	TOTAL	% INCREASE		
Rates	651 100	595.30		595.30	Rates	615 000		400.88		400.88	-32.66%	422.53	445.35
Refuse		118.18	16.55	134.73	Refuse			125.03	17.50	142.54	5.80%	150.38	158.35
				730.03						**543.42**	-25.56%	**572.91**	**603.70**
MEDIUM RESIDENTIAL MTUNZINI													
ERF 347 MTZ	**2014/2015 FINANCIAL YEAR**				ERF 347 MTZ	**2015/2016 FINANCIAL YEAR**						**2016/2017**	**2017/2018**
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE		TOTAL	VAT	TOTAL	% INCREASE		
Rates	1 390 000	1 358.83		1 358.83	Rates	1 305 000		937.99		937.99	-30.97%	988.64	1 042.03
Refuse		118.18	16.55	134.73	Refuse			125.03	17.50	142.54	5.80%	150.38	158.35
				1 493.56						**1 080.53**	-27.65%	**1 139.02**	**1 200.38**
LARGE RESIDENTIAL MTUNZINI													
ERF 1041 MTZ	**2014/2015 FINANCIAL YEAR**				ERF 1041 MTZ	**2015/2016 FINANCIAL YEAR**						**2016/2017**	**2017/2018**
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE		TOTAL	VAT	TOTAL	% INCREASE		
Rates	3 200 000	3 229.17		3 229.17	Rates	3 645 000		2 759.49		2 759.49	-14.54%	2 908.50	3 065.56
Refuse		118.18	16.55	134.73	Refuse			125.03	17.50	142.54	5.80%	150.38	158.35
				3 363.89						**2 902.03**	-13.73%	**3 058.88**	**3 223.91**
SMALL RESIDENTIAL GINGINDLOVU													
ERF 125 GING	**2014/2015 FINANCIAL YEAR**				ERF 125 GING	**2015/2016 FINANCIAL YEAR**						**2016/2017**	**2017/2018**
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE		TOTAL	VAT	TOTAL	% INCREASE		
Rates	175 200	103.54		103.54	Rates	200 000		77.84		77.84	-24.82%	82.05	86.48
Refuse		118.18	16.55	134.73	Refuse			125.03	17.50	142.54	5.80%	150.38	158.35
				238.27						**220.38**	-7.51%	**232.42**	**244.82**
MEDIUM RESIDENTIAL GINGINDLOVU													
ERF 35 GING	**2014/2015 FINANCIAL YEAR**				ERF 35 GING	**2015/2016 FINANCIAL YEAR**						**2016/2017**	**2017/2018**
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE		TOTAL	VAT	TOTAL	% INCREASE		
Rates	344 300	278.28		278.28	Rates	400 000		233.53		233.53	-16.08%	246.14	259.43
Refuse		118.18	16.55	134.73	Refuse			125.03	17.50	142.54	5.80%	150.38	158.35
				413.00						**376.06**	-8.94%	**396.51**	**417.78**
LARGE RESIDENTIAL GINGINDLOVU													
ERF 93 GING	**2014/2015 FINANCIAL YEAR**				ERF 93 GING	**2015/2016 FINANCIAL YEAR**						**2016/2017**	**2017/2018**
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE		TOTAL	VAT	TOTAL	% INCREASE		
Rates	1 284 500	1 249.82		1 249.82	Rates	1 455 000		1 054.75		1 054.75	-15.61%	1 111.71	1 171.74
Refuse		118.18	16.55	134.73	Refuse			125.03	17.50	142.54	5.80%	150.38	158.35
				1 384.54						**1 197.29**	-13.52%	**1 262.09**	**1 330.09**

2015/2016 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS

	0.0124								0.0093							
SMALL RESIDENTIAL ESHOWE																
ERF 1172 ESH	**2014/2015 FINACIAL YEAR**							ERF 1172 ESH	**2015/2016 FINACIAL YEAR**							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.74	0.93	1.24	1.26				Unit Cost Per KWH	0.79	1.00	1.40	1.42				
Consumption (600 Units)	50	300	250	0				Consumption (600 Units)	50	300	250	0				
	37.00	279.00	310.00	0.00	626.00	87.64	713.64		39.50	300.00	350.00	0.00	689.50	96.53	786.03	10.14%
Service Charge					190.85	26.72	217.57	Service Charge					215.07	30.11	245.18	12.69%
Rates	362 600				297.19		297.19	Rates	460 000				280.23		280.23	-5.71%
Refuse					118.18	16.55	134.73	Refuse					125.03	17.50	142.54	5.80%
							1 363.12								**1 453.98**	6.67%
MEDIUM RESIDENTIAL ESHOWE																
ERF 1207 ESH	**2014/2015 FINACIAL YEAR**							ERF 1207 ESH	**2015/2016 FINACIAL YEAR**							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.74	0.93	1.24	1.26				Unit Cost Per KWH	0.79	1.00	1.40	1.42				
Consumption (1500 Units)	50	300	250	900				Consumption (1500 Units)	50	300	250	900				
	37.00	279.00	310.00	1 134.00	1 760.00	246.40	2 006.40		39.50	300.00	350.00	1 278.00	1 967.50	275.45	2 242.95	11.79%
Service Charge					190.85	26.72	217.57	Service Charge					215.07	30.11	245.18	12.69%
Rates	773 000				721.27		721.27	Rates	870 000				599.38		599.38	-16.90%
Refuse					118.18	16.55	134.73	Refuse					125.03	17.50	142.54	5.80%
							3 079.96								**3 230.05**	4.87%
LARGE RESIDENTIAL ESHOWE																
ERF 467 ESH	**2014/2015 FINACIAL YEAR**							ERF 467 ESH	**2015/2016 FINACIAL YEAR**							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.74	0.93	1.24	1.26				Unit Cost Per KWH	0.79	1.00	1.40	1.42				
Consumption (2100 Units)	50	300	250	1500				Consumption (2100 Units)	50	300	250	1500				
	37.00	279.00	310.00	1 890.00	2 516.00	352.24	2 868.24		39.50	300.00	350.00	2 130.00	2 819.50	394.73	3 214.23	12.06%
Service Charge					190.85	26.72	217.57	Service Charge					215.07	30.11	245.18	12.69%
Rates	1 190 000				1 152.17		1 152.17	Rates	1 170 000				832.91		832.91	-27.71%
Refuse					118.18	16.55	134.73	Refuse					125.03	17.50	142.54	5.80%
							4 372.70								**4 434.85**	1.42%

2015/2016 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS																	
	0.0124									0.0093							
SMALL RESIDENTIAL KING DINUZULU																	
ERF 568 KDS	**2014/2015 FINANCIAL YEAR**							ERF 568 KDS	**2015/2016 FINANCIAL YEAR**							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.74	0.93	1.24	1.26				Unit Cost Per KWH	0.79	1.00	1.40	1.42				
Consumption (350 Units)	50	300	0	0				Consumption (350 Units)	50	300						
	37.00	279.00	0.00	0.00	316.00	44.24	360.24		39.50	300.00	0.00	0.00	339.50	47.53	387.03	7.44%
Service Charge					190.85	26.72	217.57	Service Charge					215.07	30.11	245.18	12.69%
Rates	228 900				159.03		159.03	Rates	320 000				171.25		171.25	7.69%
Refuse					118.18	16.55	134.73	Refuse					125.03	17.50	142.54	5.80%
							871.56								**946.00**	8.54%
MEDIUM RESIDENTIAL KING DINUZULU																
ERF 888 KDS	**2014/2015 FINANCIAL YEAR**							ERF 888 KDS	**2015/2016 FINANCIAL YEAR**							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.74	0.93	1.24	1.26				Unit Cost Per KWH	0.79	1.00	1.40	1.42				
Consumption (599 Units)	50	300	249	0				Consumption (599 Units)	50	300	249					
	37.00	279.00	308.76	0.00	624.76	87.47	712.23		39.50	300.00	348.60	0.00	688.10	96.33	784.43	10.14%
Service Charge					190.85	26.72	217.57	Service Charge					215.07	30.11	245.18	12.69%
Rates	413 100				349.37		349.37	Rates	415 000				245.20		245.20	-29.82%
Refuse					118.18	16.55	134.73	Refuse					125.03	17.50	142.54	5.80%
							1 413.89								**1 417.35**	0.24%
LARGE RESIDENTIAL KING DINUZULU																
ERF 904 KDS	**2014/2015 FINANCIAL YEAR**							ERF 904 KDS	**2015/2016 FINANCIAL YEAR**							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.74	0.93	1.24	1.26				Unit Cost Per KWH	0.79	1.00	1.40	1.42				
Consumption (1050 Units)	50	300	250	450				Consumption (1050 Units)	50	300	250	450				
	37.00	279.00	310.00	567.00	1 193.00	167.02	1 360.02		39.50	300.00	350.00	639.00	1 328.50	185.99	1 514.49	11.36%
Service Charge					190.85	26.72	217.57	Service Charge					215.07	30.11	245.18	12.69%
Rates	511 900				451.46		451.46	Rates	555 000				354.18		354.18	-21.55%
Refuse					118.18	16.55	134.73	Refuse					125.03	17.50	142.54	5.80%
							2 163.78								**2 256.39**	4.28%

10.8 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

10.9 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Manager: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Manager: Engineering services must identify which consumers are placing a burden on the waste transfer station.

10.10 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

10.11 Planned proceeds from the lease of assets

Rental Facilities		
Description	**Budgeted Amount for 2014/2015**	**Budgeted Amount for 2015/2016**
Hire of Halls & Equipment	149 170	157 820
Hire of Building(Sportsclub)	9 380	10 320
Mtunzini Sugar Cane Farm	457 350	483 880
Rent – Sugar Cane Lease (Eshowe)	436 020	461 310
Rent – Sundry	142 040	150 280
Leases – Land Ging	111 720	118 200
Rent Received (Staff housing)	83 310	88 140
Total Budgeted for Rental Facilities	**1 388 990**	**1 469 950**

10.12 Planned use of bank overdraft

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is **R5 000 000**.
- It is envisaged that use will be made of the bank overdraft facility during the 2015/2016 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

10.13 New borrowing proposed to be raised.

There is no capital project in the 2015/2016 budget year that requires external funding.

11. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

11.1 The Expenditure on allocation and grant programmes are as follows:

R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**65 020**	**88 127**	**94 303**	**115 853**	**122 347**	**122 347**	**133 770**	**136 460**	**148 639**
Local Government Equitable Share		60 650	76 090	82 861	103 047	102 939	102 939	119 603	125 278	132 306
Municipal Systems Improvement		1 340	800	890	834	934	934	930	957	1 033
Finance Management		1 323	1 500	1 550	1 600	1 249	1 249	1 600	1 625	1 700
Integrated National Electrification Programme			8 130	7 380	7 000	14 490	14 490	8 000	8 000	13 000
EPWP Incentive			981	1 019	2 172	2 157	2 157	3 037		
PT: Greenest Municipality		291	97	22		–	–			
COGTA: Groundnut activities		512								
COGTA: Establishment of pound grant		4								
Information signs: Tourism R66			4							
Project Management Unit (MIG Projects)		900	526	582	1 200	580	580	600	600	600
Provincial Government:		**4 128**	**2 088**	**3 294**	**3 411**	**5 006**	**5 006**	**3 950**	**4 011**	**4 215**
Health subsidy		2 576	201			–				
Museum Subsidy		125	134	143	299	460	460	506	557	587
PT: Provincialisation of Libraries		1 237	1 298	2 726	2 840	2 840	2 840	2 933	3 088	3 243
Library:Cyber Cadet KDS GR50		190	204	366	272	458	458	361	366	385
Housing			251	58		1 098	1 098			
Sport and recreation						150	150	150		
District Municipality:		**626**	**483**	**483**	**589**	**–**	**–**	**–**	**–**	**–**
Uthungulu District Grant: Salary Claims		626	483	483	589		–			
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total operating expenditure of Transfers and Grants:		**69 774**	**90 698**	**98 080**	**119 852**	**127 353**	**127 353**	**137 720**	**140 471**	**152 854**
Capital expenditure of Transfers and Grants										
National Government:		**23 294**	**33 738**	**33 665**	**44 288**	**54 962**	**54 962**	**64 464**	**62 829**	**55 848**
Municipal Infrastructure Grant (MIG)		16 794	26 122	25 836	36 296	46 596	46 596	38 490	39 961	42 166
						–	–			
EPWP grant					–	15	15			
Municipal Finance Management grant					–	352	352			
Municipal Systems Improvement					100	–	–	40		40
Equitable Share		6 500	7 616	7 829	7 892	8 000	8 000	25 934	22 868	13 642
Provincial Government:		**–**	**1 068**	**–**	**2 250**	**4 108**	**4 108**	**–**	**–**	**–**
Sport and recreation			1 068		2 250	2 100	2 100			
Housing and Local Government						2 008	2 008			
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Uthungulu District Grant: Salary Claims										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total capital expenditure of Transfers and Grants		**23 294**	**34 806**	**33 665**	**46 538**	**59 070**	**59 070**	**64 464**	**62 829**	**55 848**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**93 068**	**125 504**	**131 745**	**166 391**	**186 424**	**186 424**	**202 184**	**203 300**	**208 702**

11.2 Hereunder follows the proposed equitable share allocations for the next 3 budget years

DETAILS	BUDGET 2015/2016	BUDGET 2016/2017	BUDGET 2017/2018
International relations	100 000	100 000	100 000
Land use management system (Rural)	1 000 000	-	-
Care taking: rural buildings	300 000	450 000	500 000
Youth development	840 000	550 000	600 000
Early childhood development	350 000	400 000	400 000
Community support programme	350 000	350 000	350 000
Local economic development (LED)	695 000	2 600 000	2 000 000
Youth business advisory centre	200 000	250 000	300 000
Ceremonial events	110 000	120 000	130 000
Commemorative celebriations	120 000	130 000	140 000
Rates relief	71 744 100	74 725 400	82 061 730
Depreciation on assets contribution	6 859 630	7 230 050	7 620 470
Poverty alleviation	3 241 800	3 200 000	3 000 000
Ward committee expenses	1 000 000	1 000 000	1 000 000
Councillor's remuneration	9 391 000	9 822 000	10 260 000
Animal pound facility	597 840	636 700	678 080
Rural fire prevention	350 000	400 000	450 000
Disaster assistance	700 000	750 000	800 000
Humanitarian assistance	800 000	800 000	850 000
Sport development	1 300 000	1 300 000	1 300 000
Cultural development	550 000	200 000	200 000
Special programmes	650 000	550 000	600 000
Operation Sukuma Sakhe	350 000	400 000	450 000
Local Aids Council	500 000	550 000	600 000
Work creation projects	1 454 000	1 300 000	1 300 000
Sports fields - security	339 780	356 770	374 610
Rural grounds maintenance	300 000	300 000	300 000
Rural roads: Grader programme	9 504 230	10 326 960	9 286 180
Free refuse	1 650 170	1 703 530	1 793 810
Solid waste relief	2 619 420	2 760 870	2 909 960
Free electricity	1 336 130	1 415 700	1 500 880
Replacement of conventional electricity meters	-	300 000	150 000
Electricity metering audit	300 000	300 000	300 000
Capital projects contribution	25 933 900	22 868 020	13 642 280
	145 537 000	**148 146 000**	**145 948 000**

12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

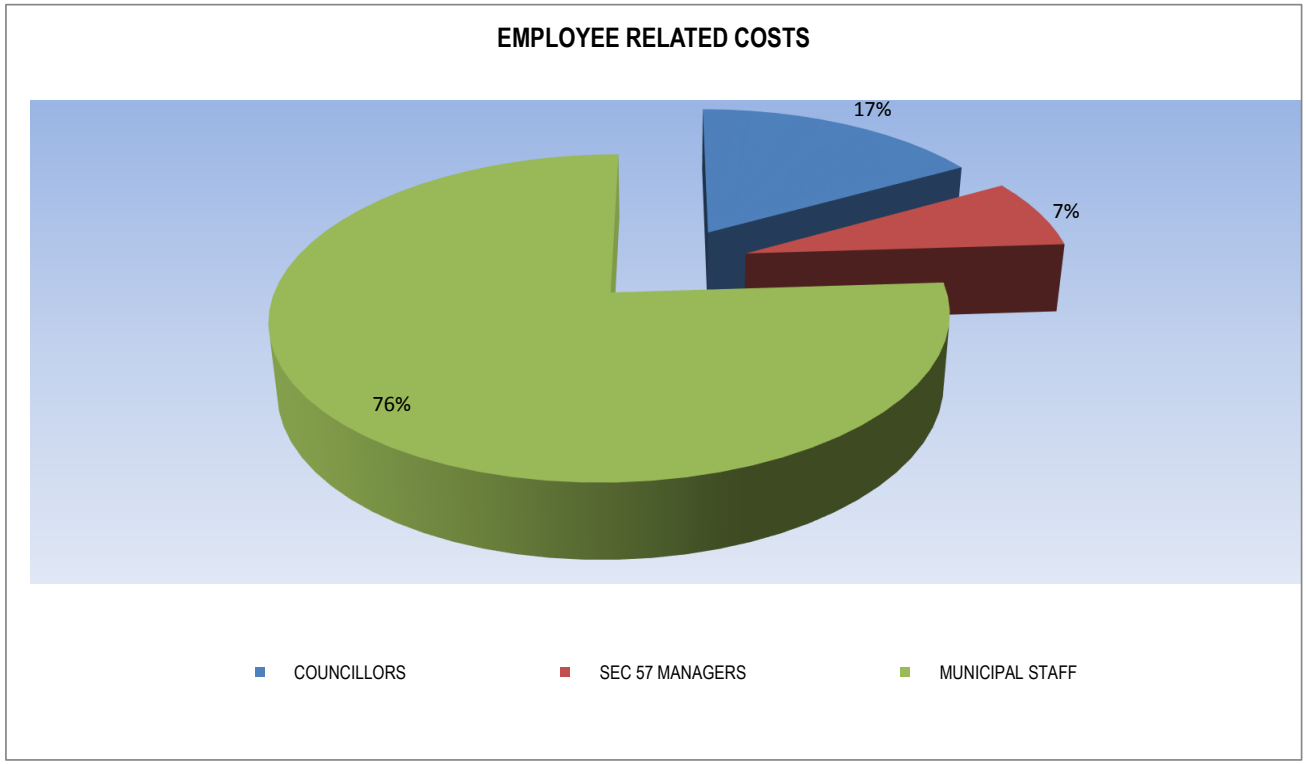
12.1 Summary of Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 514	9 446	9 999	10 512	10 098	10 098	10 805	11 562	12 371
Pension and UIF Contributions		874	1 047	567	837	804	804	860	921	985
Medical Aid Contributions		102	52	270	310	298	298	319	341	365
Motor Vehicle Allowance		2 890	2 135	2 178	3 887	3 734	3 734	3 995	4 275	4 574
Cellphone Allowance		639	53	674	1 161	1 115	1 115	1 193	1 277	1 366
Housing Allowances		41	–		–	–	–	–	–	–
Other benefits and allowances					187	180	180	192	206	220
Sub Total - Councillors		**12 059**	**12 733**	**13 688**	**16 894**	**16 229**	**16 229**	**17 365**	**18 581**	**19 882**
% increase	4		**5.6%**	**7.5%**	**23.4%**	**(3.9%)**	**–**	**7.0%**	**7.0%**	**7.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 870	5 479	3 624	5 135	4 233	4 233	5 448	5 829	6 237
Pension and UIF Contributions		707	744	102	276	179	179	296	317	339
Medical Aid Contributions		–	–		–	7	7	–	–	–
Overtime		–	–		–	–	–	–	–	–
Performance Bonus		765	591	156	822	1 096	1 096	–	–	–
Motor Vehicle Allowance	3	777	615	535	866	714	714	932	997	1 067
Cellphone Allowance	3	60	–	75	108	99	99	90	96	103
Housing Allowances	3	–	–		–	–	–	–		
Other benefits and allowances	3		–		–	–	–	–		
Payments in lieu of leave			–		–	–	–	–		
Long service awards			–		–	–	–	–		
Post-retirement benefit obligations	6				–	–	–	–		
Sub Total - Senior Managers of Municipality		**6 179**	**7 429**	**4 491**	**7 207**	**6 328**	**6 328**	**6 766**	**7 240**	**7 746**
% increase	4		**20.2%**	**(39.5%)**	**60.5%**	**(12.2%)**	**–**	**6.9%**	**7.0%**	**7.0%**
Other Municipal Staff										
Basic Salaries and Wages		30 571	24 825	32 055	45 220	44 667	44 667	56 604	60 563	64 800
Pension and UIF Contributions		6 781	6 953	7 917	8 086	7 457	7 457	12 793	13 689	14 647
Medical Aid Contributions		1 944	1 959	2 259	2 644	2 273	2 273	3 641	3 896	4 169
Overtime		3 191	5 093	3 515	3 293	3 113	3 113	4 975	5 324	5 696
Performance Bonus		(390)	–		(40)	–	–		–	–
Motor Vehicle Allowance	3	1 438	2 205	2 291	1 778	2 063	2 063	2 911	3 115	3 333
Cellphone Allowance	3	(60)	–		108	146	146	157	168	179
Housing Allowances	3	132	299	115	134	144	144	137	146	156
Other benefits and allowances	3	2 089	5 439	6 926	3 359	564	564	226	242	259
Payments in lieu of leave		–	–		–	–	–			
Long service awards		–	–		–	–	–			
Post-retirement benefit obligations	6	–	–			–	–			
Sub Total - Other Municipal Staff		**45 696**	**46 772**	**55 078**	**64 582**	**60 426**	**60 426**	**81 443**	**87 142**	**93 239**
% increase	4		**2.4%**	**17.8%**	**17.3%**	**(6.4%)**	**–**	**34.8%**	**7.0%**	**7.0%**
Total Parent Municipality		**63 934**	**66 934**	**73 257**	**88 683**	**82 984**	**82 984**	**105 575**	**112 963**	**120 867**
			4.7%	**9.4%**	**21.1%**	**(6.4%)**	**–**	**27.2%**	**7.0%**	**7.0%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**63 934**	**66 934**	**73 257**	**88 683**	**82 984**	**82 984**	**105 575**	**112 963**	**120 867**
% increase	4									
TOTAL MANAGERS AND STAFF	5,7	**51 875**	**54 201**	**59 569**	**71 789**	**66 754**	**66 754**	**88 209**	**94 382**	**100 985**

12.2 Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	446 510	47 550	179 530			673 590
Chief Whip		1	335 590	91 090	170 010			596 690
Executive Mayor		1	500 910	109 790	217 610			828 310
Deputy Executive Mayor		1	440 480	–	179 530			620 010
Executive Committee		8	4 131 430	257 020	678 440			5 066 890
Total for all other councillors		40	6 405 200	699 230	2 475 570			9 580 000
Total Councillors	8	**52**	**12 260 120**	**1 204 680**	**3 900 690**			**17 365 490**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 186 730	25 520	180 000	–		1 392 250
Chief Finance Officer		1	737 150	117 150	144 000	–		998 300
Director - Corporate Services		1	776 530	1 790	138 000	–		916 320
Director - Protection Services		1	776 120	17 310	126 000	–		919 430
Director - Community Services		1	752 880	1 780	162 000	–		916 660
Director - Engineering Services		1	737 770	16 540	162 000	–		916 310
List of each offical with packages >= senior manager								
								–
Deputy Chief Financial Officer		1	480 560	98 080	128 100	–		706 740
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	**7**	**5 447 740**	**278 170**	**1 040 100**	**–**		**6 766 010**
TOTAL COST OF COUNCILLOR, DIRECTOR and	10	**7**	**5 447 740**	**278 170**	**1 040 100**	**–**	**–**	**6 766 010**

BUDGET - EMPLOYEE RELATED COSTS	
2015/2016 MTREF	
DESCRIPTION	BUDGET YEAR 2015/2016 R'000
COUNCILLORS	17 792
SEC 57 MANAGERS	7 642
MUNICIPAL STAFF	80 568
TOTAL EXPENDITURE	106 002



12.3 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		52	4	48	52	8	44	52	12	40
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	1	5	6	1	5	7	1	6
Other Managers	7	8	8		14	14	–	20	20	
Professionals		*12*	*12*	–	*5*	*5*	–	*6*	*6*	–
Finance		5	5		5	5		6	6	
Spatial/town planning		6	6		–	–				
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		1	1							
Technicians		*280*	*280*	–	*280*	*253*	*27*	*110*	*110*	–
Finance		18	18		20	19	1	21	21	
Spatial/town planning		31	31		36	36		41	41	
Information Technology		4	4		–	–				
Roads		27	27		23	23		23	23	
Electricity		23	23		–	–				
Water										
Sanitation										
Refuse		26	26		25	25		25	25	
Other		151	151		176	150	26			
Clerks (Clerical and administrative)		13	13		17	15	2	237	237	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	**371**	**318**	**53**	**374**	**296**	**78**	**432**	**386**	**46**
% increase					0.8%	(6.9%)	47.2%	15.5%	30.4%	(41.0%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

13.1 Hereunder follows a consolidation for revenue by source and expenditure by type

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	2 575	5 750	5 182	2 295	3 785	5 174	2 481	2 713	2 827	2 887	2 721	2 221	40 611	42 715	45 067
Property rates - penalties & collection charges												–			
Service charges - electricity revenue	3 814	4 495	3 878	4 528	4 417	3 249	4 109	4 276	4 479	4 252	3 962	4 458	49 917	55 982	61 984
Service charges - water revenue												–			
Service charges - sanitation revenue												–			
Service charges - refuse revenue	699	768	796	747	820	665	1 169	696	784	777	814	467	9 203	9 709	10 180
Service charges - other												–			
Rental of facilities and equipment	122	122	122	122	122	122	122	122	122	122	122	49	1 396		
Interest earned - external investments	338	338	338	338	338	338	338	338	338	338	338	338	4 055	4 116	4 177
Interest earned - outstanding debtors												–			
Dividends received												–			
Fines	272	372	253	308	304	241	174	230	334	357	400	326	3 571	3 588	3 605
Licences and permits	337	290	387	289	303	226	343	283	333	259	349	200	3 600	3 798	3 999
Agency services												–			
Transfer receipts - operational	49 641	3 117	3 083	4 000	47 392	–	–	361	30 126			–	137 720	140 471	152 854
Other revenue	217	217	217	217	217	217	217	217	217	217	217	216	2 603	4 520	4 733
Cash Receipts by Source	**58 016**	**15 469**	**14 257**	**12 845**	**57 699**	**10 233**	**8 953**	**9 235**	**39 560**	**9 210**	**8 923**	**8 277**	**252 676**	**264 898**	**286 599**
Other Cash Flows by Source															
Transfer receipts - capital	15 636	–	–	–	10 945	–	–	–	37 883	–	–	(0)	64 464	62 829	55 848
Contributions recognised - capital & Contributed assets												–			
Proceeds on disposal of PPE												120	120	130	140
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits												105	105	105	55
Decrease (Increase) in non-current debtors												(3)	(3)	2	(5)
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**73 652**	**15 469**	**14 257**	**12 845**	**68 644**	**10 233**	**8 953**	**9 235**	**77 443**	**9 210**	**8 923**	**8 499**	**317 362**	**327 964**	**342 637**
Cash Payments by Type															
Employee related costs	7 573	7 028	6 924	6 457	6 587	8 325	6 302	8 100	7 564	7 452	7 780	6 354	86 445	92 494	98 965
Remuneration of councillors	1 483	1 483	1 483	1 483	1 483	1 483	1 483	1 483	1 483	1 483	1 483	1 483	17 792	18 209	19 484
Finance charges			385						371			–	756	797	840
Bulk purchases - Electricity	568	5 448	6 812	3 033	641	6 817	3 361	4 084	3 774	3 433	3 706	3 797	45 474	52 245	59 037
Bulk purchases - Water & Sewer												–			
Other materials												–			
Contracted services	2 383	2 212	2 179	2 032	2 073	2 620	1 983	2 549	2 380	2 345	2 448	2 755	27 958	25 662	26 841
Transfers and grants - other municipalities												–			
Transfers and grants - other	314	291	287	267	273	345	261	335	313	309	322	263	3 579	3 941	4 153
Other expenditure	11 734	10 440	5 150	6 267	5 992	10 697	4 676	6 125	11 132	1 941	1 272	1 884	77 309	96 610	106 033
Cash Payments by Type	**24 054**	**26 901**	**23 219**	**19 539**	**17 049**	**30 285**	**18 065**	**22 675**	**27 018**	**16 962**	**17 011**	**16 535**	**259 314**	**289 958**	**315 353**
Other Cash Flows/Payments by Type															
Capital assets	869	869	888	3 490	10 668	7 542	4 272	6 914	6 642	5 037	4 647	2 434	54 273	47 416	45 936
Repayment of borrowing												343	343	343	343
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**24 923**	**27 770**	**24 107**	**23 030**	**27 717**	**37 827**	**22 338**	**29 589**	**33 660**	**21 998**	**21 658**	**19 312**	**313 930**	**337 717**	**361 632**
NET INCREASE/(DECREASE) IN CASH HELD	**48 729**	**(12 301)**	**(9 850)**	**(10 185)**	**40 927**	**(27 594)**	**(13 385)**	**(20 354)**	**43 782**	**(12 788)**	**(12 735)**	**(10 813)**	**3 432**	**(9 753)**	**(18 995)**
Cash/cash equivalents at the month/year begin:	49 173	97 902	85 600	75 750	65 565	106 492	78 898	65 514	45 160	88 942	76 154	63 418	49 173	52 605	42 852
Cash/cash equivalents at the month/year end:	97 902	85 600	75 750	65 565	106 492	78 898	65 514	45 160	88 942	76 154	63 418	52 605	52 605	42 852	23 857

13.2 Hereunder follows a consoildation for revenue by source and expenditure by type

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
Governance and administration		**1 472**	**17 662**	**17 662**	**17 662**	**17 662**	**17 662**	**17 662**	**17 662**	**17 662**	**17 662**	**17 662**	**34 253**	**212 347**	**217 519**	**220 816**
Executive and council		1 444	17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	17 324	34 604	209 286	214 353	217 493
Budget and treasury office		27	321	321	321	321	321	321	321	321	321	321	(385)	2 853	2 947	3 092
Corporate services		1	17	17	17	17	17	17	17	17	17	17	33	207	219	230
Community and public safety		**260**	**3 114**	**3 114**	**3 114**	**3 114**	**3 114**	**3 114**	**3 114**	**3 114**	**3 114**	**3 114**	**6 019**	**37 423**	**37 584**	**38 397**
Community and social services		31	371	371	371	371	371	371	371	371	371	371	711	4 450	4 830	5 104
Sport and recreation		23	278	278	278	278	278	278	278	278	278	278	683	3 490	3 272	3 360
Public safety		175	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	2 105	4 035	25 265	25 505	25 747
Housing		1	14	14	14	14	14	14	14	14	14	14	27	167	177	186
Health		29	346	346	346	346	346	346	346	346	346	346	563	4 050	3 800	4 000
Economic and environmental services		**116**	**1 394**	**1 394**	**1 394**	**1 394**	**1 394**	**1 394**	**1 394**	**1 394**	**1 394**	**1 394**	**2 672**	**16 727**	**14 710**	**13 869**
Planning and development		25	303	303	303	303	303	303	303	303	303	303	581	3 637	600	600
Road transport		91	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	1 091	2 091	13 090	14 110	13 269
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**584**	**7 007**	**7 007**	**7 007**	**7 007**	**7 007**	**7 007**	**7 007**	**7 007**	**7 007**	**7 007**	**13 130**	**83 781**	**92 498**	**105 327**
Electricity		478	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	5 735	10 691	68 515	76 432	88 458
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Waste management		106	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	2 438	15 265	16 064	16 868
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Standard		**2 431**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**29 177**	**56 073**	**350 277**	**362 310**	**378 409**
			52 910	52 910	52 910	52 910	52 910	52 910	52 910	52 910	52 910	52 910				
Expenditure - Standard																
Governance and administration		**841**	**10 088**	**10 088**	**10 088**	**10 088**	**10 088**	**10 088**	**10 088**	**10 088**	**10 088**	**10 088**	**20 165**	**121 888**	**126 944**	**133 831**
Executive and council		682	8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	8 187	17 321	99 874	104 073	109 292
Budget and treasury office		108	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 298	1 689	14 781	15 148	16 120
Corporate services		50	603	603	603	603	603	603	603	603	603	603	1 155	7 234	7 723	8 419
Community and public safety		**536**	**6 427**	**6 427**	**6 427**	**6 427**	**6 427**	**6 427**	**6 427**	**6 427**	**6 427**	**6 427**	**12 218**	**77 020**	**79 428**	**83 145**
Community and social services		50	605	605	605	605	605	605	605	605	605	605	1 160	7 264	7 555	8 074
Sport and recreation		88	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	2 019	12 643	12 824	13 549
Public safety		340	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	4 076	7 813	48 916	50 823	52 798
Housing		1	14	14	14	14	14	14	14	14	14	14	26	165	174	184
Health		56	678	678	678	678	678	678	678	678	678	678	1 199	8 031	8 052	8 542
Economic and environmental services		**192**	**2 307**	**2 307**	**2 307**	**2 307**	**2 307**	**2 307**	**2 307**	**2 307**	**2 307**	**2 307**	**4 421**	**27 679**	**25 937**	**25 869**
Planning and development		42	500	500	500	500	500	500	500	500	500	500	958	5 998	2 639	2 773
Road transport		151	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	3 463	21 681	23 298	23 096
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**636**	**7 626**	**7 626**	**7 626**	**7 626**	**7 626**	**7 626**	**7 626**	**7 626**	**7 626**	**7 626**	**13 556**	**90 456**	**99 467**	**114 090**
Electricity		509	6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	6 103	10 636	72 170	80 064	93 479
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		5	62	62	62	62	62	62	62	62	62	62	119	744	791	842
Waste management		122	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	1 462	2 802	17 542	18 612	19 769
Other		**0**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**2**	**13**	**14**	**15**
Total Expenditure - Standard		**2 204**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**26 449**	**50 362**	**317 057**	**331 790**	**356 950**
Surplus/(Deficit) before assoc.		**227**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**5 711**	**33 221**	**30 520**	**21 459**
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	**1**	**227**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**2 728**	**5 711**	**33 221**	**30 520**	**21 459**

14. Service Delivery and Budget Implementation Plan (SDBIP)

The Service Delivery and Budget Implementation Plan is attached as **Annexure 4.**

15. Contract having future budgets implications

Hereunder follows the details of a contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

Name	Description of Contract	2015/2016	2016/2017	2017/2018	2018/2019
UMHLABA Geomatics	*Third round of property valuations*	R140 000	R145 000	R150 000	R155 000

16. CAPITAL EXPENDITURE DETAILS

16.1 Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**18 226**	**17 187**	**17 593**	**27 861**	**33 599**	**33 599**	**11 507**	**18 307**	**33 632**
Infrastructure - Road transport		17 066	16 687	14 628	22 879	28 587	28 587	7 587	5 878	20 894
Roads, Pavements & Bridges		17 066	13 670	13 378	22 879	28 587	28 587	7 587	5 878	20 894
Storm water		–	3 018	1 250	–					
Infrastructure - Electricity		347	437	345	580	560	560	2 370	1 750	1 405
Generation		347	437	345	580	560	560	2 370	1 750	1 405
Transmission & Reticulation		–	–		–					
Street Lighting		–	–		–					
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs		–	–		–					
Water purification		–	–		–					
Reticulation		–	–		–					
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation		–	–		–					
Sewerage purification		–	–		–					
Infrastructure - Other		813	63	2 620	4 402	4 452	4 452	1 550	10 678	11 333
Waste Management		122	63		–	1 796	1 796	1 050	400	500
Transportation	2	–	–		–	–	–			
Gas		–	–		–	–	–			
Other	3	690	–	2 620	4 402	2 657	2 657	500	10 278	10 833
Community		**3 086**	**5 048**	**2 613**	**4 390**	**6 253**	**6 253**	**11 512**	**18 464**	**9 709**
Parks & gardens		–	–			400	400	950	750	750
Sportsfields & stadia		1 120	1 000	2 172	3 650	4 849	4 849	8 462	8 614	3 000
Swimming pools		–	100	–	–	–	–			
Community halls		–	127	–	–	–	–	1 700	4 500	1 700
Libraries		–	–	–	–	–	–			
Recreational facilities		–	–	–	–	1 004	1 004		1 000	4 059
Fire, safety & emergency		–	–	179	300	–	–		3 200	
Security and policing		–	–	–	–	–	–			
Buses	7	–	–	–	–	–	–			
Clinics		–	–	–	–	–	–			
Museums & Art Galleries		–	–	–	–	–	–			
Cemeteries		–	42	238	400	–	–	400	400	200
Social rental housing	8	–	–	–	–	–	–			
Other		1 966	3 779	24	40	–	–			
Heritage assets		–	–	238	–	2 000	2 000	–	–	–
Buildings		**–**	**–**	**238**		**2 000**	**2 000**			
Other	9		**–**							
Investment properties		**800**	**–**	**–**	**2 100**	**–**	**–**	**–**	**–**	**–**
Housing development		800	–		2 100					
Other			–							
Other assets		**1 439**	**4 202**	**972**	**1 634**	**2 704**	**2 704**	**5 526**	**6 326**	**1 611**
General vehicles		432	2 754	238	400	1 009	1 009	515	4 700	350
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		758	966	425	713	780	780	1 046	520	210
Computers - hardware/equipment		–	–	–	–	29	29			
Furniture and other office equipment		249	482	310	520	886	886	3 965	1 106	1 051
Abattoirs		–	–		–					
Markets		–	–		–					
Civic Land and Buildings		–	–		–					
Other Buildings		–	–		–					
Other Land		–	–		–					
Surplus Assets - (Investment or Inventory)		–	–		–					
Other			–							
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–							
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Capital Expenditure on new assets	1	**23 551**	**26 436**	**21 416**	**35 985**	**44 556**	**44 556**	**28 545**	**43 097**	**44 952**

16.2 Capital expenditure on the renewal of existing assets by class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**1 330**	**6 024**	**13 113**	**19 159**	**27 948**	**27 948**	**38 284**	**21 651**	**11 045**
Infrastructure - Road transport		1 060	6 024	10 932	18 669	23 198	23 198	29 131	20 691	9 400
Roads, Pavements & Bridges		720	6 024	10 013	17 869	22 398	22 398	27 831	19 691	8 800
Storm water		340	–	919	800	800	800	1 300	1 000	600
Infrastructure - Electricity		140	–	254	270	270	270	1 343	110	–
Generation		140	–	254	270	270	270	1 343	110	
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		130	–	1 927	220	4 480	4 480	7 810	850	1 645
Waste Management								600	–	90
Transportation	2									
Gas										
Other	3	130	–	1 927	220	4 480	4 480	7 210	850	1 555
Community		**230**	**1 210**	**1 921**	**450**	**350**	**350**	**–**	**1 000**	**3 500**
Parks & gardens			1 028			–	–		1 000	
Sportsfields & stadia				1 597		–	–			
Swimming pools				–	–	50	50			3 500
Community halls		230	182	–	–	–	–			
Libraries				–		–	–			
Recreational facilities				–		–	–			
Fire, safety & emergency				131	450	300	300			
Security and policing				–						
Buses	7			–						
Clinics				–						
Museums & Art Galleries				–						
Cemeteries				175						
Social rental housing	8			–						
Other				18						
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development										
Other										
Other assets		**347**	**–**	**715**	**6 855**	**3 029**	**3 029**	**5 535**	**1 989**	**1 752**
General vehicles				175	2 390	1 483	1 483	3 080	1 380	1 090
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment				312	1 165	222	222	200	150	300
Computers - hardware/equipment		347	–	–	–	1 123	1 123	2 255	459	362
Furniture and other office equipment				228		201	201			
Abattoirs						–	–			
Markets						–	–			
Civic Land and Buildings										
Other Buildings					3 300					
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Capital Expenditure on renewal of existing assets	1	**1 907**	**7 234**	**15 749**	**26 464**	**31 327**	**31 327**	**43 819**	**24 640**	**16 297**

Specialised vehicles		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse										
Fire										
Conservancy										
Ambulances										

Renewal of Existing Assets as % of total capex	*7.5%*	*21.5%*	*42.4%*	*42.4%*	*41.3%*	*41.3%*	*60.6%*	*36.4%*	*26.6%*
Renewal of Existing Assets as % of deprecn"	*25.3%*	*89.8%*	*60.5%*	*296.3%*	*115.7%*	*115.7%*	*153.8%*	*82.4%*	*52.0%*

16.3 Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**5 938**	**6 409**	**11 658**	**12 075**	**11 417**	**11 417**	**15 113**	**15 768**	**15 062**
Infrastructure - Road transport		4 227	4 284	8 372	9 637	10 122	10 122	10 854	11 324	10 817
Roads, Pavements & Bridges		4 227	4 284	8 372	9 637	10 122	10 122	10 854	11 324	10 817
Storm water										
Infrastructure - Electricity		1 082	1 328	1 400	1 611	1 250	1 250	1 814	1 893	1 808
Generation		1 082	1 328	1 400	1 611	1 250	1 250	1 814	1 893	1 808
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		630	797	1 886	827	45	45	2 445	2 550	2 436
Waste Management		630	779	704	810		–	912	952	909
Transportation	2		6	6	7		–	8	8	8
Gas				–			–	–	–	–
Other	3	0	12	1 176	10	45	45	1 524	1 590	1 519
Community		**3 405**	**2 982**	**2 180**	**2 509**	**127**	**127**	**2 826**	**2 948**	**2 816**
Parks & gardens		1 641	515	735	846	104	104	952	994	949
Sportsfields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	10	11	13	–	–	15	15	15
Community halls		641	1 312	78	90	–	–	101	106	101
Libraries		7	7	9	10	–	–	11	12	11
Recreational facilities		11	16	11	13	–	–	15	15	15
Fire, safety & emergency		389	408	513	590	22	22	665	693	662
Security and policing		550	681	789	908		–	1 023	1 067	1 019
Buses	7	–	–	–	–		–	–	–	–
Clinics		23	28	–	–		–	–	–	–
Museums & Art Galleries		4	1	4	5		–	6	6	6
Cemeteries		139	4	30	35		–	39	41	39
Social rental housing	8									
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		**–**	**47**	**48**	**56**	**–**	**–**	**63**	**65**	**62**
Housing development			47	48	56		–	63	65	62
Other										
Other assets		**670**	**575**	**1 149**	**1 323**	**4 907**	**4 907**	**1 490**	**1 555**	**1 485**
General vehicles						4 063	4 063			
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment			99	148	171	176	176	192	200	191
Computers - hardware/equipment				–		–	–	–	–	–
Furniture and other office equipment			78	80	93	202	202	104	109	104
Abattoirs				–		–	–	–	–	–
Markets				–		–	–	–	–	–
Civic Land and Buildings				–		–	–	–	–	–
Other Buildings			74	285	328	430	430	369	385	368
Other Land				–		–	–	–	–	–
Surplus Assets - (Investment or Inventory)				–		–	–	–	–	–
Other		670	324	636	733	37	37	825	861	822
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	**10 013**	**10 013**	**15 035**	**15 962**	**16 451**	**16 451**	**19 491**	**20 336**	**19 426**

Specialised vehicles		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		*2.2%*	*2.0%*	*3.0%*	*3.0%*	*3.1%*	*3.1%*	*3.4%*	*3.4%*	*3.1%*
R&M as % Operating Expenditure		*6.1%*	*5.2%*	*6.4%*	*6.8%*	*5.8%*	*5.8%*	*6.1%*	*6.1%*	*5.5%*

16.4 Future financial implications of the capital budget

Vote Description	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		5 963	380	92	110	125		
Vote 2 - BUDGET AND TREASURY OFFICE		2 277	632	370	1 004	795		
Vote 3 - CORPORATE SERVICES		6 380	5 545	3 685	5 992	4 080		
Vote 4 - PLANNING AND DEVELOPMENT		10	–	–				
Vote 5 - HEALTH		260	10	30	40	45		
Vote 6 - COMMUNITY AND SOCIAL SERVICES		1 185	2 058	4 914	640	315		
Vote 7 - HOUSING		–	–	–				
Vote 8 - PUBLIC SAFETY		920	3 890	965	13 251	220		
Vote 9 - SPORTS AND RECREATION		9 902	11 364	7 650	6 660	8 050		
Vote 10 - WASTE MANAGEMENT		2 270	4 400	500	600	630		
Vote 11 - ROAD TRANSPORT		39 034	36 697	41 247	30 685	48 469		
Vote 12 - ELECTRICITY		4 163	2 460	1 795	870	570		
Vote 13 - AIR TRANSPORT		–	–	–				
Vote 14 - WORKSHOP		–	300	–				
		–	–	–				
Total Capital Expenditure		**72 364**	**67 737**	**61 248**	**59 852**	**63 299**	**–**	**–**
Net Financial Implications		**72 364**	**67 737**	**61 248**	**59 852**	**63 299**	**–**	**–**

17. LEGISLATION COMPLIANCE STATUS

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.

The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the LG: MFMA, that uMlalazi has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms and;
- Focus on performance measurement,

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;
- Publication of information on the municipalities website (www.umlalazi.org.za) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 74 and the LG:MFMA Budget Formats Guide received from National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

OTHER LEGISLATION

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Bill 2010 and
- The Municipal Systems Act (Act no. 32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003)

Division of Revenue Bill 2010

This Bill issued in February annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with Section 18 of the LG: MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with Section 28 of the LG: MFMA.

The Municipal Systems Act (Act no. 32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)

These acts form the basis of the links between the budget and the Integrated Development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);

Performance management (Chapter 6) providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff Policy (Chapter 8).

18. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Thembakhosi Simon Mashabane,** Municipal Manager of the uMlalazi Municipality,

Hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1-A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name..... **THEMBINKOSI SIMON MASHABANE**.....

Municipal Manager of .....**uMLALAZI MUNICIPALITY**.....

Signature.....

Date.....18/05/2015.....

CONTACT DETAILS

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Annexure 1

uMLALAZI MUNICIPALITY

ASSET MANAGEMENT POLICY

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1. OBJECTIVE

1.1 The objectives of this policy are:

1.1.1 To ensure the effective and efficient control of the municipality's capital assets through:

(a) proper recording of capital assets from authorisation to acquisition and to subsequent disposal;
(b) providing for safeguarding procedures;
(c) setting proper guidelines as to authorised utilisation; and
(d) prescribing for proper maintenance.

1.1.2 To assist officials in understanding their legal and managerial responsibilities with regard to capital assets.

2. BACKGROUND

- The proper utilisation and management of capital assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:
  - Delivery of sustainable services;
  - Promotion of Social and economic development;
  - Promoting a safe and healthy environment; and
  - Providing for the basic needs to the community.
- The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its capital assets over the useful life thereof.
- The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of capital assets.
- Stewardship has three components being the:
  - Management, utilisation and control by the Municipal Officials;
  - Financial administration by the Chief Financial Officer; and
  - Physical administration by the Senior Accountant: Assets
- Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a local government.

- Accounting standards are set to ensure the appropriate financial treatment for capital assets. The requirements of these accounting standards include:

  - The compilation of capital asset registers recording all capital assets controlled by the municipality;

  - Accounting treatment for the acquisition, disposal, recording and depreciation of capital assets; and

  - The standards to which these financial records must be maintained.

3. DEFINITIONS

"Accounting Standards Board" was established by the Public Finance Management Act to set standards of Generally Recognised Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.

"Amortisation" is the systematic allocation of the depreciable amount of an intangible capital asset over its useful life.

"Assets" are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality.

"Capital Assets" (PPE) means tangible and intangible assets that:

(a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and

(b) are expected to have a useful life extending for more than one financial year.

"Capital asset categories" are the six main asset categories defined as follows:

a) Infrastructure assets – are defined as those capital assets that form part of a network in delivering basic services to consumers, e.g. electricity transformers which form part of an electricity network. General characteristics of infrastructure assets are that they are:

- part of a system or network;
- specialised in nature and have not alternative uses;
- immovable; and
- subject to constraints on disposal.

An easy way to determine whether an asset represents infrastructure is to determine whether more than one consumer will be affected when the service is not rendered. When more than one consumer is affected, the asset will usually qualify as infrastructure. When only one customer is affected the asset most probably does not represent infrastructure e.g. a delivery vehicle.

b) **Community assets** – are defined as those assets utilized to the social well-being of the community. Examples are parks, libraries, old age homes, parks, recreational facilities and fire stations.

c) **Heritage assets** – are defined as assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. Examples are works of art, historical buildings and statues.

d) **Investment properties** – are defined as properties (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

(a) use in the production or supply of goods or services or for administrative purposes, or
(b) sale in the ordinary course of operations.

e) **Intangible assets** – are an identifiable non-monetary asset without physical substance.

f) **Other assets** – are defined as capital assets utilised in normal operations administrative function of the municipality, Examples are plant equipment, office buildings, motor vehicles, office equipment and furniture and fittings etc.

"Capital asset register" (CAR) is the control register recording the financial and other key details for all municipal capital assets recognised in accordance with this policy

"**Basic Municipal Services"** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.

"Capitalisation" is the recognition of expenditure as a capital asset in the financial records and in the Capital Asset Register.

"Carrying amount" is the amount at which a capital asset is included in the financial statements after deducting any accumulated depreciation and accumulated impairment thereon from the recorded value thereof.

“Control items” are items of a capital nature that are not significant enough for financial recognition but are valuable enough to warrant special safeguarding.

“Cost” is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire a capital asset at the time of its acquisition or construction.

“Cost of acquisition” is all the costs incurred in bringing a capital asset item to the required condition and location for its intended use.

“Depreciation” is the systematic allocation of the depreciable amount of a capital asset over its useful life.

“Depreciable amount” is the cost of a capital asset, or other amount substituted for cost in the financial statements, less its residual value.

“Fair value” is the amount for which a capital asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.

“GRAP” is Standards of Generally Recognised Accounting Practice

“Impairment loss” of a cash-generating asset is the amount by which the carrying amount of a capital asset exceeds its recoverable amount.

“**Impairment loss” of a non-cash-generating asset** is the amount by which the carrying amount of a capital asset exceeds its recoverable service amount.

“Manager” means each senior manager and each municipal official exercising financial management responsibilities.

“Prescribe” means as prescribed by the Minister of Finance by regulation.

“Property, plant and equipment” (PPE) means tangible capital assets use for the powers and functions allocated to the Municipality in terms of the Constitution that:

(a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and

(b) are expected to be used during more than one reporting period.

“Recoverable amount” is the higher of a cash-generating asset’s net selling price and its value in use.

“Residual value” is the estimated amount that an entity would currently obtain from disposal of the capital asset, after deducting the estimated costs

of disposal, if the capital asset were already of the age and in the condition expected at the end of its useful life.

"Senior Management" mean officials who are responsible for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of section 79 of the MFMA.

"Useful life" is either:

(a) the period over which a capital asset is expected to be available for use by an entity, or
(b) the number of production or similar units expected to be obtained from the capital asset by an entity.

4. STATUTORY AND REGULATORY FRAMEWORK

4.1 This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act No 56 of 2003

4.2 This policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognised accounting standards include:

- GRAP 17 - Property, Plant and Equipment;
- GRAP 16 - Investment Properties;
- GRAP 27- Agriculture;
- GRAP 31 - Intangible assets;
- GRAP 100 - Non-current assets held for sale; and
- GRAP 103 - Heritage assets.

4.3 This policy does not overrule the requirement to comply with other policies such as Supply Chain Management or Budget policies.

5. RESPONSIBILITIES AND ACCOUNTABILITIES

5.1 **The Accounting Officer** is responsible for the management of the capital assets of the municipality, including the safeguarding and the maintenance of these capital assets.

5.2 The Accounting Officer must take all reasonable steps to ensure that:

a) The municipality has and maintains a management, accounting and information system that records all the capital assets of the municipality;

b) The municipality's capital assets are valued in accordance with recognised standards as prescribed by statutes and/or regulations;

c) That the municipality has and maintains a system of internal control of capital assets, including a capital asset register; and

d) That Senior Management complies with this policy.

5.3 **The Chief Financial Officer** is responsible to the Accounting Officer to ensure that the financial investment in the municipalities' capital assets is properly recorded.

5.4 The Chief Financial Officer must take all reasonable steps to ensure that:

a) Appropriate systems of financial management and internal controls are established and carried out diligently;

b) The financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;

c) Any unauthorised, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

d) The systems, processes and registers required to substantiate the financial values of the municipality's capital assets are maintained to standards sufficient to satisfy the requirements of all statutes;

e) Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;

f) The Accounting Officer is appropriately advised on the exercise of powers and duties pertaining to the financial administration of capital assets; and

g) The Senior Managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of capital assets.

5.5 The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remains accountable for ensuring these activities are performed.

5.6 **The Senior Managers** must take all reasonable steps to ensure that:

a) Appropriate systems of physical management and controls are established and carried out for capital assets in their areas of responsibility;

b) The municipal resources assigned to them are utilised effectively, efficiently, economically and transparently;

c) The capital assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;

d) Any unauthorised, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;

e) The asset management systems and controls can provide an accurate, reliable and up to date record of capital assets under their control;

f) They are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;

g) The purchase of capital assets complies with all municipal policies and procedures;

h) All moveable capital assets is duly processed and identified and inspected as being in order before it is received into their stewardship;

i) All moveable capital assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these capital assets and regular stock takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer; and

j) Capital assets are appropriately utilised for the purpose for which the municipality acquired them.

5.7 The Senior Manager may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed.

6. FINANCIAL MANAGEMENT

6.1 Pre-Acquisition Planning

6.1.1 Before a capital project is included in the budget for approval, the Senior Manager must demonstrate and the Council must consider:

a) The projected cost over all the financial years until the project is operational;

b) The future operational costs and revenue of the project, including tax and tariff implications;

c) The financial sustainability of the project over its life including revenue generation and subsidisation requirements;

d) The physical and financial stewardship of that capital asset through all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;

e) The inclusion of this capital project in the integrated development plan and future budgets: and

f) Alternatives to this capital purchase.

6.1.2 The Chief Financial Officer is accountable to ensure the Senior Managers receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

6.2 Approval to acquire Capital Assets

6.2.1 Expenditure can only be incurred on a capital project if:

a) The funds have been appropriated in the capital budget;

b) The project, including the total cost and funding sources, has been approved by Council;

c) The Chief Financial Officer confirms that funding is available for that specific project; and

d) Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.

6.3 Funding of capital projects

6.3.1 Within the municipality's financial, legislative and administrative capacity, the Chief Financial Officer will establish and maintain the funding

strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the integrated development plan.

6.3.2 The acquisition of capital assets will not be funded over a period longer than the useful life of that asset.

6.4 Disposal of capital assets

6.4.1 The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services, unless such capital asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services is not compromised as a result of the disposal of the capital asset.

6.4.2 The municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated above or moveable capital assets having an estimated carrying value above R50 000, but only after the Council, in a meeting open to the public:

a) *Has decided on reasonable grounds that the capital asset is not needed to provide the minimum level of basic municipal services; and*

b) *Has considered the fair market value of the capital asset and the economic and community value to be received in exchange for the capital asset.*

6.4.3 The decision that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that capital asset had been sold, transferred or otherwise disposed of.

6.4.4 The disposal of an item of capital assets must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.

6.4.5 The transfer of capital assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.

6.4.6 The disposal of moveable capital assets up to a carrying amount of R 50 000 may be authorised under delegated powers by the Accounting Officer after taking the above-mentioned conditions into account.

6.4.7 Every senior manager shall report in writing to the Chief Financial Officer before or on 31 October of each financial year on all capital assets controlled or used by the department concerned which such manager wishes to alienate by public auction or public tender.

The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the Council or the Accounting Officer of the municipality, as the case may be, recommending the process of alienation to be adopted.

6.4.8 Once capital assets are alienated, the Chief Financial Officer shall adjust the capital asset register for the current year and shall delete the capital asset from the accounting records and in the capital asset register once it is no longer required for the compilation of comparative figures.

6.4.9 All gains and losses realised on the alienation of capital assets shall be accounted for according to section 10.12 below (Accounting treatment on disposal).

6.5 Loss, theft, destruction or impairment of capital assets

6.5.1 Every manager shall ensure that any incident of loss, theft, destruction, or material impairment of any capital asset controlled or used by the department in question is promptly reported in writing to the Chief Financial Officer, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Services.

7. INTERNAL CONTROLS

7.1 Capital Asset Register

7.1.1 Establishment and management of the Capital Asset Register

7.1.1.1 The Chief Financial Officer will ensure the establishment and maintenance of a capital asset register containing key financial data on each item of capital assets that satisfies the criterion for recognition.

7.1.1.2 The Senior Accountant: Assets is responsible for establishing and maintaining any additional registers or records to demonstrate to Managers the physical management of capital assets under their control.

7.1.2 Contents and maintenance of the Capital Asset Register

7.1.2.1 The capital asset register shall be maintained in the format determined by the Chief Financial Officer, which format shall comply

with the requirements of GRAP and any other accounting requirements which may be prescribed.

7.1.2.2 The details in the capital asset register must at least include:

a) Description of the capital asset

b) Capital asset identification number (Unique asset ID)

c) Capital asset classification

d) GFS Vote / Sub-vote classification

e) Source document and dates

f) Purchase price or historical cost

g) The measurement used

h) The depreciation methods used

i) The useful life of the capital asset

j) The residual value of the capital asset

k) Depreciation charged

l) The gross carrying amount

m) The accumulated depreciation and accumulated impairment

n) Date of acquisition

o) Start date of depreciation

p) Date and value of disposal (if relevant)

q) Date on which the capital asset is retired from use, if not disposed of

r) increases or decreases resulting from revaluations (if relevant)

s) Any restrictions on title to the capital asset and Deed numbers

t) Location of the capital asset

u) The department that controls or uses the capital asset

v) Impairment losses incurred during the financial year (and the reversal of such losses, where applicable)

w) The title deed number, in the case of fixed property

7.1.2.3 All managers under whose control any capital asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the capital asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

7.1.2.4 A capital asset shall be recorded in the capital assets register as soon as it is acquired. If the capital asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as a capital asset.

7.1.2.5 A capital asset shall remain in the capital asset register for as long as it is in physical existence. The fact that a capital asset has been fully depreciated shall not in itself be a reason for deleting it from the capital register.

7.1.3 Internal Controls over the Capital Asset Register

7.1.31 Controls relating to the capital asset register should be sufficient to provide Managers with an accurate, reliable and up-to-date account of capital assets under their control, in line with the standards specified by the Chief Financial Officer and as required by relevant statutes.

7.1.3.2 These controls will include:

(a) details of the physical management
(b) the recording of all acquisitions, assignments, transfers, losses and disposals of capital assets
(c) regular stock-takes and
(d) system audits to confirm the accuracy of the records.

7.1.3.3 Identification of capital assets:

a) The Chief Financial Officer will establish a system to ensure that each moveable capital asset bears a unique identification number/ barcode/GIS ID which shall be recorded in the capital asset register.
b) Every manager shall ensure that the capital asset identification system approved for use by the municipality is scrupulously applied to all capital assets controlled or used by the department in question.

7.2 Physical Controls and Management

7.2.1 Responsibilities of the Senior Accountant: Assets

7.2.1.1 The Senior Accountant: Assets will undertake an annual stock take of capital assets as part of the annual reporting process.

7.2.2 Acquisition Date

7.2.2.1. The date of acquisition of capital assets is deemed to be the time when legal title and control passes to the municipality or when final payment for that item is approved.

7.2.3 Depreciation Start Date

7.2.3.1 This date is the point of time when the capital asset has been received or when the capital asset is ready for use whichever the latest date is and will be the date when the capital asset starts to depreciate.

7.3 Transfers between Managers

7.3.1 Permanent transfers to another Manager

7.3.1.1 A Senior Manager may transfer a capital asset under his control provided that another Senior Manager agrees in writing to accept responsibility for that capital asset. Copies of such approvals must be submitted to the Finance Directorate.

7.3.1.2 The Finance Directorate must appropriately amend the Capital asset register by recording all approved transfers.

7.3.1.3 The Senior Manager to whom the capital asset is transferred must assume accountability for the transferred capital asset from a date specified in the written communication referred to above.

7.3.1.4 The Senior Manager must ensure that all capital assets are appropriately safeguarded for loss, damage or misuse wherever they are located. Safeguarding includes ensuring reasonable physical restrictions.

7.3.2 Relocation or Reassignment of Capital assets

7.3.2.1 A Senior Manager must advise the Chief Financial Officer, in writing, whenever a capital asset is relocated or reassigned from one location (or base) to another or if cost centre, as recorded in the Capital asset Register, must be changed.

7.3.2.2 In the case of capital assets such as vehicles being utilised in the normal course of operations away from its base such reporting is not necessary as long as the cost centre do not change.

7.4 Verification of Capital assets

7.4.1 Every Senior manager shall at least annually undertake a complete physical verification of all capital assets under his control.

7.4.2 The results of such verification shall be reported to the Chief Financial Officer in the format as required by the Chief Financial Officer.

7.4.3 The annual verification should be conducted between the periods February to April with the verification report reaching the Chief Financial Officer by not later than 31st May.

7.5 Insurance of capital assets

7.5.1 The Chief Financial Officer shall ensure that all capital assets are insured as per the council's short-term insurance policy.

7.5.2 The Chief Financial Officer shall determine the insured value based on recommendation of the responsible manager.

7.5.3 The insured value to be applied by the Chief Financial Officer to the capital assets are Current Replacement Cost (CRC) with the exceptions of all vehicle types. Vehicles should be insured for the AA determined book value of the vehicle.

8. MANAGEMENT AND OPERATION OF CAPITAL ASSETS

8.1 Accountability to manage capital assets

8.1.1 Each Senior Manager is accountable to ensure that municipal resources assigned to him/her are utilised effectively, efficiently, economically and transparently.

8.1.2 This will entail:

8.1.2.1 Developing appropriate capital asset management systems, providing, inter alia, for:

(a) Recording of usage of the capital asset such as logbooks;

(b) Recording of preventative and maintenance programmes;

(c) Annual assessment of usefulness, condition of capital asset and remaining useful life; and

(d) Planning for replacement of capital asset.

8.1.2.2 When performing the condition assessment the senior manager must use the descriptions in table below:

Rating	Description	Detail Description	Indicative of RUL
1	Very good	Sound structure, well maintained. Only normal maintenance required.	71-100% EUL
2	Good	Services needs but minor deterioration (< 5%). Minor maintenance required.	46-70% EUL
3	Fair	Marginal, clearly evident deterioration (10-20%). Significant maintenance required.	26-45% EUL
4	Poor	Significant deterioration of structure and/or appearance. Significant impairment of functionality (20-40%).	11-25% EUL
5	Very poor	Significant renewal/upgrade required. Unsound, failed needs reconstruction/replacement (> 50% needs replacement)	0-10% EUL

EUL' is Expected Useful Life
'RUL' is Remaining Useful Life

8.1.2.3 Senior Managers need to manage capital assets under their control to provide the required level of service or economic benefit at the lowest possible cost over the full asset cycle.

8.2 <u>Strategic asset management plan</u>.

8.2.1 Each Senior Manager needs to develop a strategic asset management plan that covers:

a) Alignment with the Integrated Development Plan;

b) Operational guidelines;

c) Performance monitoring including benchmarking indicators and measurement;

d) Maintenance programmes;

e) Renewal, refurbishment and replacements plans;

f) Disposal and rehabilitation plans;

g) Operational, financial and capital support requirements; and

h) Risk mitigation plans including insurance strategies.

8.2.2 The operational and capital budgets are the short to medium term plan for implementing strategic capital asset management plans.

8.3 Reporting on Impeding Issues

8.3.1 Each Senior Manager shall report to the Accounting Officer on issues that will significantly impede the capital assets capacity to provide the required level of service or economic benefit. Refer to section 10.10 for the accounting of impairment of capital assets

9. CLASSIFICATION, AGGREGATIONS & COMPONENTS

9.1 Classification of capital assets

9.1.1 Any asset recognised as a capital asset under this policy will be classified according to nationally recognised categories.

9.1.2 These categories have been specified by the Accounting Standards Board.

9.1.3 All capital assets should be classified under at least the following headings in the Asset Capital Register:

9.1.3.1 Property, plant and equipment

The following sub headings will be applicable for this heading:

a) Infrastructure assets (capital assets which are part of a network of similar capital assets)

b) Community assets (resources contributing to the general well-being of the community)

c) Other assets (ordinary operational resources)

9.1.3.2 Investment property

9.1.3.3 Intangible capital assets

9.1.3.4 Non-current capital assets held for sale

9.1.3.5 Heritage Assets

9.1.3.6 Biological Assets

9.1.3.7 Agricultural Assets

9.2 Optional Treatment for Major Components

9.2.1 A Senior Manager must, with agreement of the Chief Financial Officer, treat major components of an item as a separate capital asset for the purposes of this policy.

9.2.2 These major components may be defined by its physical parameters (eg a reservoir or roof) or its financial parameters.

9.2.3 When agreeing to these treatments the Senior Manager must be satisfied that these components:

a) Have significantly a different useful life or usage pattern to the main capital asset;

b) Align with the capital asset management plans;

c) Justify the costs of separate identification;

d) Have probable future economic benefits or potential service delivery associated with the capital asset which will flow to the municipality;

e) Is such that the cost of the capital asset to the municipality can be measured reliably;

f) Is such that the municipality has control over the capital asset; and

g) Is such that the capital asset is expected to be used during more than one financial year.

9.2.4 All such decisions and agreements will be confirmed before the beginning of the financial year. Any amendments will only be permitted as part of a budget review. Once a major component is recognised as a separate capital asset, it may be, depreciated and disposed of as if it is a separate capital asset.

10. ACCOUNTING FOR CAPITAL ASSETS

10.1 Recognition of capital assets.

10.1.1 An item will be recognised as a capital asset when:

a) It is probable that future economic benefits or potential service delivery associated with the capital asset will flow to the municipality;

b) The cost of the capital asset to the municipality can be measured reliably;

c) The municipality has control over the capital asset; and

d) The capital asset is expected to be used during more than one financial year.

10.2 Initial measurement

10.2.1 A capital asset that is acquired via normal supply chain processes and qualifies for recognition as a capital asset should be initially measured at cost

10.2.2 The elements of cost includes the following:

a) *Purchase costs (less any discounts given);*

b) *Delivery costs;*

c) *Installation costs;*

d) *Professional fees for architects and engineers;*

e) *Import duties;*

f) *Non-refundable taxes;*

g) *Site development costs; and*

h) *Contractor fees.*

10.2.3 Where an item has been acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register.

10.2.4 All Senior Manager must advise the Chief Financial Officer in writing of any acquisition at no cost and provide at least the following details per component:

a) Description of the capital asset;
b) Date of acquisition;
b) Fair value as at date of acquisition;
c) Location details;
d) Condition rating;
e) Expected initial useful life; and
f) Code of department to which the full life cycle costs of the asset must be allocated

.

10.3 Carrying amount of capital assets

10.3.1 Subsequent to initial recognition as a capital asset, a capital item should be carried at the follow values for the various classifications:

a) Property plant & Equipment – Cost less accumulated depreciation and impairments
b) Intangible Assets – Cost less accumulated amortisation
c) Investment Property – Fair value
d) Heritage assets – Cost less Accumulated impairments
e) Biological assets – Fair value less cost to sell
f) Agricultural assets - Fair value less costs to sell at the point of harvest

10.4 Depreciation

10.4.1 All capital assets, except land, capital assets under construction, investment property; biological, agricultural and heritage assets, shall be depreciated – or in the case of intangible capital assets, amortised.

10.4.2 The depreciable amount of an item should be allocated on a systematic basis over its useful life.

10.4.3 The depreciable amount of a capital asset is determined after deducting the residual value of the capital asset. In practice, the residual value of a capital asset is often insignificant and, therefore immaterial in the calculation of the depreciable amount. It is always the intention of the Municipality except in the case of vehicles to use the capital asset till it has no value.

10.4.4 When the benchmark treatment is adopted and the residual value is likely to be significant, the residual value is estimated at the date of acquisition. The estimate is based on the residual value prevailing at the date of the estimate for similar capital assets that have reached the end of their useful lives and have operated under conditions similar to those under which the capital asset will be used.

10.4.5 The depreciation charge for each period will be recognised as an expense against the budget of the relevant Senior Manager that controls or use the capital asset.

10.4.6 The depreciation method used shall reflect the pattern in which the capital assets' future economic benefits or service potential are expected to erode the value of the asset.

10.4.7 A variety of depreciation methods can be used to allocate the depreciable amount of a capital asset on a systematic basis over its useful life. These methods include:

(a) the straight-line method;

(b) the diminishing balance method; and

(c) the units of production method.

10.4.8 Straight-line depreciation results in a constant charge over the useful life if the capital asset's residual value does not change.

10.4.9 The diminishing balance method results in a decreasing charge over the useful life.

10.4.10 The units of production method results in a charge based on the expected use or output.

10.4.11 The method of depreciation is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

10.4.12 The preferred depreciation method will be the straight-line method unless otherwise agreed to in writing by the Chief Financial Officer.

10.4.13 Depreciation shall initially be calculated from the day the capital asset is available or ready for use. Once a review of useful life has been performed, the depreciation will be calculated by using the carrying value less residual amount for a specific capital asset divided by the remaining estimated useful life of the capital asset.

10.4.14 Each Senior Manager, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable capital assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

10.4.15 The procedures to be followed in accounting and budgeting for the amortisation of intangible capital assets shall be identical to those applying to the depreciation of other capital assets.

10.5 Initial determination of useful life

10.5.1 Each Senior Manager needs to determine the useful life of a particular item or class of capital asset through the development of a strategic capital asset management plan.

10.5.2 The determination of useful life should be developed as part of any pre-acquisition planning that would consider, inter alia, the following factors:

a) The program that will optimise the expected long term costs of owning that capital asset;

b) Economic obsolescence because it is too expensive to maintain;

c) Functional obsolescence because it no longer meets the municipality's needs;

d) Technological obsolescence;

e) Social obsolescence due to changing demographics; and

f) Legal obsolescence due to statutory constraints.

10.5.3 A schedule of useful lives is included as Annexure A. The indicative lives as included in the guide must be view as providing the maximum useful life only. This is due to the fact that capital asset lives experienced may greatly vary.

10.6 Review of useful life and residual value

10.6.1 The Chief Financial Officer in consultation with the responsible senior manager may amend the useful operating life or the residual value assigned to any capital asset.

10.6.2 If a capital asset has been lost, stolen or damaged beyond repair, it shall be written off the capital asset register.

10.6.3 The remaining useful life (RUL) and the residual value of an item must be reviewed annually and if these revised expectations are significantly different from previous estimates, then the depreciation charge for the current and future periods must be adjusted and the adjusted depreciation expenses shall be debited to the department or vote controlling or using the capital asset in question. When such a change in depreciation is necessary the change must be reflected as a change in the accounting estimate.

10.7 Review of depreciation method.

10.7.1 The depreciation method applicable to a class of capital assets must be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those capital assets, the method must be changed to reflect the changed pattern.

10.7.2 When such a change in depreciation method is necessary the change must be reflected as a change in the accounting estimate and the depreciation charge for the current and future periods should be adjusted.

10.8 Subsequent expenditure on capital assets

10.8.1 Subsequent expenditure relating to an item that has already been capitalised must be added to the carrying amount of the asset when such expenditure will increase the remaining useful life of the asset or increase the efficiency of the asset and resulting in financial or service delivery benefits.

10.8.2 All other expenditure must be recognised as an expense in the period in which it occurred.

10.8.3 Before allowing the capitalisation of subsequent expenditure, the Chief Financial Officer must be satisfied that this expenditure will significantly:

a) Increase the remaining useful life of that capital asset beyond that stated in the capital asset register; or

b) Increase the quality of service provided by that capital asset beyond the existing level of service; or

c) Increase the quantity of services that capital asset can provide.

10.8.4 Expenditure that is proposed to be capitalised must also conform to recognition criteria for capital assets and should also be appropriately included in the approved capital budget.

For further guidance to distinguish between Capital and Operational expenses refer to section 10.12

10.9 Impairment losses

10.9.1 The assessment and accounting treatment relating to impairment of capital assets (Prescribed in terms of GRAP 21 and 26) are outlined as follows:

10.9.1.1 Each Senior Manager must assess all capital assets controlled by him/her for any indications of impairment.

10.9.1.2 When assessing the capital assets for impairments the capital assets must be assessed for both external and internal indicators.

10.9.1.3 The external indicators are:

a) The demand or the need for services provided by the capital asset has ceased or is about to cease. For example the need for a service (provided by that capital asset) has ceased because the parties to whom the service was provided has obtained its own capital asset to perform the service. Another example may be where the demand for the service has decreased due to adverse economic conditions in the country;

b) Interest rates (such as market interest rates) have increased and those increases will most likely affect the discount rate used in calculating the capital asset's value in use and decrease the capital asset's recoverable amount significantly.

c) Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates. For example, sanctions have been imposed on the

importing of a significant component of the capital asset, or a vehicle that does not meet new emission standards;

d) The demand or the need for services (not necessarily a near cessation or cessation as indicated in first bullet point above) provided by the capital asset has taken a significant long-term decline. For example, a number of consumers have made use of services provided by certain capital assets of the Municipality, but during the current period, other entities also provided similar services to certain of those consumers. As a result, the Municipality will be experiencing a significant long-term decline in the demand for the services provided by its capital assets; and

e) Market value of the capital asset has declined significantly during the period (not as a result of passage or time of use).

10.9.1.4 The internal indicators are:

Physical damage of the capital asset (for example, flood damage to a bridge);

Significant long-term changes in the extent to which, or manner in which, a capital asset is used or expected to be used that have an adverse effect on the Municipality, have taken place during the period or are expected to take place in the near future. These changes may include the capital asset becoming idle, plans to discontinue or restructure the operation to which as capital asset belongs, or plans to dispose of capital asset before the previously expected date;

The Municipality has decided to halt the construction of the capital asset before it is complete or in a usable condition; and

Internal reporting indicated that the economic performance of a capital asset is, or will be, significantly worse than expected. This evidence relates to the ability of the capital asset to provide services (i.e. internal source), rather than a decline in the demand or need for services provided by the capital asset (i.e. external source). Examples can include a significant increase in the cost of maintaining or operating the capital asset and significantly lower service or output levels than those originally budgeted and expected respectively.

10.9.1.5 All Senior Managers must inform the Chief Financial Officer when such an indicator exists. When informing the Chief Financial Officer the manager must provide the unique asset identification number of the capital asset.

10.9.1.6 The Senior Accountant: Assets will perform the necessary classification between cash generating and non-cash generating assets. Based on this classification the Senior Accountant: Assets; in conjunction with the relevant manager; will determine either the recoverable service amount or recoverable amount.

10.9.1.7 The Senior Accountant: Assets must measure the determined recoverable (service) amount to the carry value of the capital asset according to the capital asset register.

10.9.1.8 The difference between the carry value and the determined recoverable or recoverable service amount must be recognised as an impairment in the statement of financial performance and the accumulated impairment account.

10.9.2 Subsequent increase in recoverable (service) amount

10.9.2.1 A subsequent increase in the recoverable amount of a capital asset previously impaired, should be written back when the circumstances and events that led to the write-down cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

10.9.2.2 The amount written back should be debited to the accumulated impairment account and debited to the Statement of Financial Performance as a revenue item.

10.10 <u>Accounting treatment on Disposal</u>

10.10.1 A capital asset should be derecognised from the financial records and capital asset register on disposal when no future economic benefits or potential service delivery is expected from its existence.

10.10.2 Gains or losses arising from the disposal of a capital asset should be determined as the difference between the actual net disposal proceeds and the carrying amount of the capital asset, and should be recognised as revenue (gain) or expense (loss) (against the relevant department) in the Statement of Financial Performance.

10.10.3 All proceeds realised on the alienation of capital assets shall only be appropriated annually to the municipality's Capital Replacement Reserve in terms of the approved funding and reserves policy of the Council.

10.11 <u>Reinstatement, maintenance and other expenses</u>

10.11.1 Only expenses incurred in the enhancement of a capital asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the remaining useful life of a capital asset shall be capitalised. This will not include expenditure in order to achieve the initial expected performance or useful life of the capital asset.

10.11.2 Expenses incurred in the maintenance or reinstatement of a capital asset shall be considered as operating expenses incurred in ensuring that the initial

useful life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

10.11.3 Expenses which are reasonably ancillary to the bringing into operation of a capital asset may be capitalised.

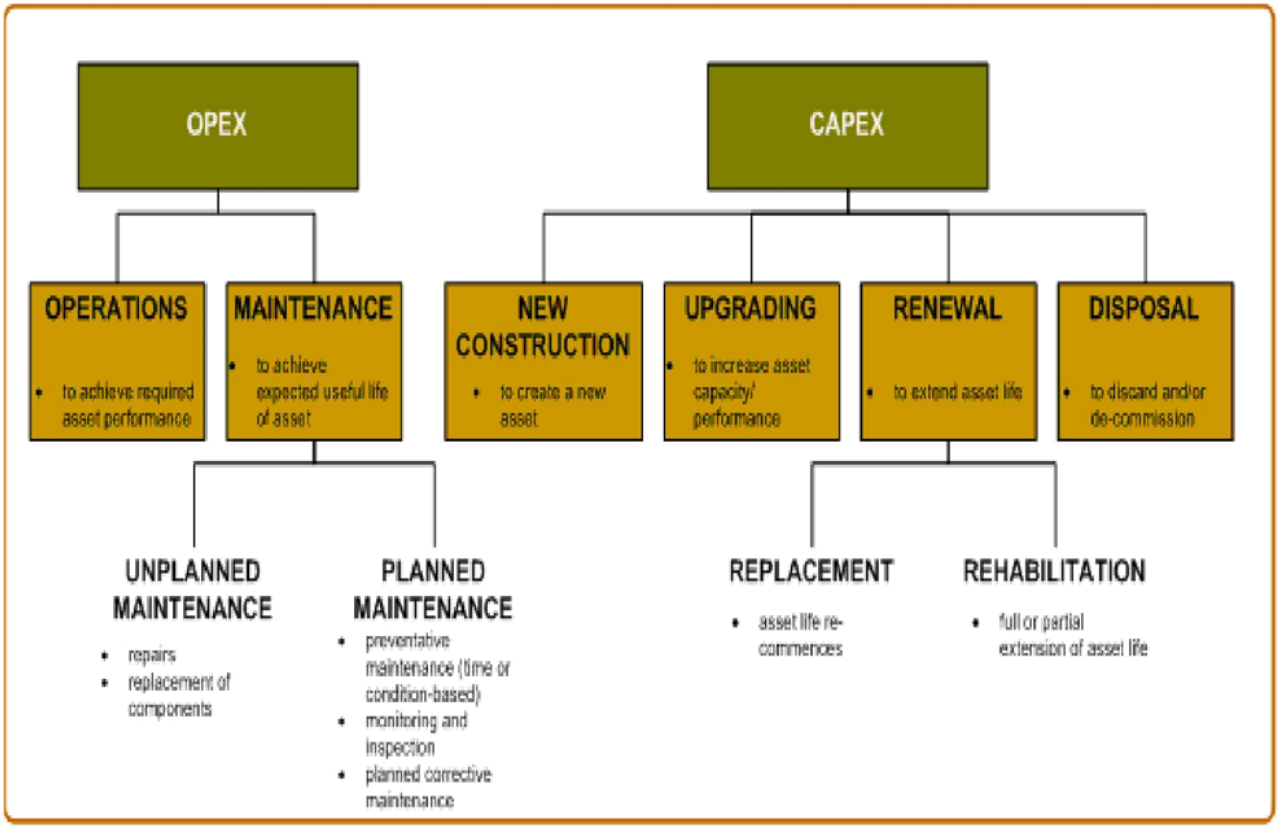
10.11.4 Expenses that is viewed as elements of cost include:

a) purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

c) the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

10.11.5 The diagram below will assist in distinguishing capital expenditure from maintenance expenditure:-



10.12 Capital assets held under leases

10.12.1 **Finance leases** are leases that transfers substantially all risks and rewards incidental to the ownership of a capital asset from the lessor to the lessee. Title may or may not eventually be transferred.

10.12.2 Capital assets held under finance leases are capitalised by the municipality and reflected as such in the Capital Asset Register. It must be recognised at the amount equal to the lower of the fair value of the capital assets at date of inception of the lease or the present value of the minimum lease payments.

10.12.3 The asset is then depreciated over its expected useful life.

10.12.4 Operating leases are those leases which do not fall within the scope of the above definition of finance leases. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the capital asset register.

10.13 Investment property

10.13.1 Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's financial statements.

10.13.2 Investment properties will be accounted for on the fair value model basis.

10.13.3 Investment assets comprise of land or buildings or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or where no decision regarding future use has been taken.

10.13.4 Investment assets shall be recorded in a separate section of the capital assets register in the same manner as other capital assets.

10.13.5 Investment assets shall not be depreciated, but shall be valued annually at financial statements date to determine their fair market value. Investment assets shall be recorded in the financial statements at such fair value.

10.13.6 Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the statement of financial performance.

10.13.7 An expert valuer shall be engaged by the municipality to undertake such valuations unless such expertise is available in-house.

10.14 Capital assets treated as inventory

10.14.1 Any land or buildings owned or acquired by the municipality with the intention of reselling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of reselling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's financial statements.

10.15 Heritage assets

10.15.1 Heritage assets is defined as capital assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

10.15.2 Heritage assets will be accounted for on the cost model basis. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Heritage assets will not be depreciated.

Senior Managers must assess at each reporting date whether there is an indication of impairment present.

In assessing for an indication that an asset may be impaired, the Senior Manager must consider, as a minimum, the following indications:

10.15.5.1 External sources of information

a) During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use ; and

b) The absence of an active market for a revalue heritage asset.

10.15.5.2 Internal sources of information

a) Evidence is available of physical damage or deterioration of a heritage asset; and

b) A decision to halt the construction of the heritage asset before it is complete or in a usable form. For financial statements purposes, the existence of such heritage assets shall be disclosed by means of an appropriate discloser note.

10.16 Write-offs of capital assets

10.16.1 A capital asset item shall be written off only on the recommendation of the Senior Manager controlling or using the capital asset concerned, provided it has been submitted to the Chief Financial Officer.

10.16.2 In instances where the physical existence is non-existent or the ownership has been transfer as a result of an insurance claim to the insurer or the infrastructure has been replaced without the possibility of any proceeds or similar instances the Chief Financial Officer must prepare a monthly report to the Accounting officer for disposal in terms of Sect 14 of the MFMA.

10.16.3 Every Senior Manager shall at least report to the Chief Financial Officer no later than the 31 October of each financial year any capital asset which such manager wishes to have written off, stating in full the reason for such recommendation.

10.16.4 The Chief Financial Officer shall consolidate all such reports, and shall submit a recommendation to the Accounting Officer of the municipality on the capital assets to be written off.

10.16.5 The only reasons for writing off capital assets, other than the alienation of such capital assets, shall be the loss, theft or destruction of the item/s in question.

10.17 Agricultural assets

10.17.1 Accounting for such capital assets shall take place in accordance with the requirements of GRAP 27.

10.17.2 The Chief Financial Officer, in consultation with the Senior Managers concerned, shall ensure that all such capital assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated cost of disposal.

10.17.3 Such valuation shall be undertaken by a valuer specialising in the valuation of the type of agricultural assets concerned.

10.17.4 Any losses on such valuation shall be debited to the department concerned as an operating expense, and any increase in the valuation shall be credited to the department concerned as operating revenue.

10.17.5 If any such asset is lost, stolen or destroyed, the matter shall be reported in writing by the Senior Manager concerned in exactly the same manner as though the capital asset were an ordinary capital asset.

10.17.6 Records reflecting the details of agricultural capital assets shall be kept in a separate section of the capital asset register or in a separate accounting record and such details shall reflect the information which the Chief Financial Officer, in consultation with the Senior Manager concerned, deems necessary for accounting and control purposes.

10.17.7 The Chief Financial Officer shall annually insure the municipality's agricultural assets, in consultation with the manager concerned.

11. MAINTENANCE OF CAPITAL ASSETS

11.1 General maintenance of Capital assets

11.1.1 Every Senior Manager shall be directly responsible for ensuring that all capital assets are properly maintained and in a manner which will ensure that such capital assets attain their maximum useful live.

12. FINANCIAL DISCLOSURE

12.1 The Chief Financial Officer must prepare the annual financial statements in such a manner that it disclose all compulsory disclosures as required by the relevant standards of GRAP.

13. REVIEW OF THE POLICY

13.1 This Cash Management and Investment Policy is the sole policy governing cash management and investments in the municipality. The Municipal Council must approve any reviews to this policy.

13.2 The Executive Mayor must submit any proposed changes to this policy to the Council as part of the annual review of policies submitted with the budget documentation.

13.3 Whenever the Minister of Finance or the National Treasury or the Auditor-General requires changes to the policy by means of legislation or requests it should be reviewed promptly in accordance with such requirements, giving full details of the reasons for the revision.

ANNEXURE A

INDICATIVE INITIAL USEFUL LIFE OF CAPITAL ASSETS

Asset Category	Asset Sub Category	Useful Life in years
Infrastructure Assets	Elec. Generation	10 - 30
	Elec. Reticulation	10 - 45
	Refuse	10 - 100
	Roads, Pavements & Bridges	10 - 50
	Sewerage: Purification	20 - 120
	Sewerage: Reticulation	10 - 100
	Stormwater	10 - 50
	Street Lighting	5 - 20
	Water: Dams & Reservoirs	20 - 50
	Water: Purification	10 - 100
	Water: Reticulation	10 - 120
Community Assets	Buses	10 - 15
	Cemeteries	20 - 100
	Community Halls	15 - 100
	Community: Other	15 - 100
	Fire, Safety & Emergency	10 - 100
	Libraries	10 - 100
	Museums & Art Galleries	10 - 100
	Parks & Gardens	5 - 50
	Recreational Facilities	15 - 100
	Social Rental Housing	10 - 100
	Sport fields & Stadiums	10 - 100
	Swimming Pools	10 - 20
Other Assets	Civic Land & Buildings	20 - 100
	Computers: Hardware & Eqpt	4 - 5
	Furniture & Office Equipment	7 - 30
	General Vehicles	7 - 15
	Other Buildings	50 - 100
	Other Land	Indefinite
	Other: Other Assets	5 - 15
	Plant & Equipment	5 - 30

	Security Measures	5 - 10
	Specialised Vehicles	12 - 30
Intangible Assets	Intangible Assets: Other	5 - 20
	Intangible Assets: Software	4 - 10
Investment Properties	Investment Properties: Land	Indefinite
	Investment Properties: Building	Indefinite
Heritage Assets	Heritage Assets: Buildings	Indefinite
	Heritage Assets: Other	Indefinite

Annexure 2

uMLALAZI MUNICIPALITY

POLICY NAME	INVESTMENT AND CASH MANAGEMENT POLICY
POLICY NUMBER	**P17**
POLICY FILE REFERENCE	**3/3/17**
DATE OF ADOPTION	
REVIEW OR AMENDMENT DATES	CL - 28 MAY 2015

uMLALAZI MUNICIPALITY

INVESTMENT & CASH MANAGEMENT POLICY

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INVESTMENT AND
CASH MANAGEMENT POLICY

Preamble

Section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councilors and officials, have an obligation to ensure
that cash resources are managed as effectively, efficiently and economically as possible;

now therefore the uMlalazi Municipality adopt the cash and investment management policy set out in this document.

Council has a responsibility to invest public funds with great care and is accountable to the community in this regard.

Legislation must be adhered to at all times. Where this policy is contrary to legislation, legislation will override this policy. It is explicit responsibility of the Municipal Manager to bring such conflicts to the attention of the Council immediately he or she is aware of such conflicts and to propose changes to this Policy to eliminate such conflicts.

1. DEFINITIONS

Chief Financial Officer means an officer of a municipality designated by the Municipal Manager to be administratively in charge of the budget and treasury functions.

Councillor means a member of a municipal council.

Current liabilities are-

- Creditors;
- Bank overdraft and
- Short-term portion of long-term liabilities

Investments are funds not immediately required to defray expenses and must be invested with approved financial institutions.

Municipal Manager means a person appointed in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) as the head of the municipality's administration;

Municipal Stock means the stock certificate issued by the municipality as a proof of a long-term fixed period loan of which the capital is repayable at the end of the period. Interest is payable at predetermined intervals at a fixed rate.

Negotiable certificate means a loan certificate that is tradable on the capital market.

Net current assets is the difference between current assets and current liabilities where current assets are-

- Debtors;
- Cash;
- Stock and
- The short-term portion of long-term debtors.

Public funds mean all monies received by the municipality to perform the functions allocated to them.

Security means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor.

Short-term portion of long-term debtors refers to the capital installments of long-term debtors due and in arrears in the current financial year.

Short-term portion of long term liabilities refers to the capital repayment of long-term loans due in the current financial year.

2. OBJECTIVES

The objectives of a cash and investment policy are:

- To manage the net current asset requirements of the municipality in such a manner that it will not tie up the municipality's scare resources required to improve the quality of life of the citizens,
- To manage the financial affairs of the municipality in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and
- To gain the highest possible return on investment without unnecessary risk, during periods when excess funds are not being used.
- To ensure diversification of permitted investments

3. SCOPE OF THE POLICY

The policy deals with:

- Responsibility/accountability.
- Management of net current assets.
- Investment ethics.
- Investment principles.
- General investment practices.
- Call and fixed deposits
- Other external deposits.
- Control over investments

4. RESPONSIBILITY/ACCOUNTABILITY

The Municipal Manager is the Accounting Officer of the municipality. He/she may delegate certain duties/tasks to the Chief Financial Officer, who would be accountable to him/her. The Municipal Manager is therefore accountable for all transactions entered into by his designates.

The Chief Financial Officer is responsible, in terms of his/her delegated authority, for establishing systems, procedures, processes, training and awareness programs to ensure efficient and effective management of net current assets, banking and cash management. Sound Management includes the following:

- Collecting revenue when it is due and banking it promptly;
- Making payments, including transfers to other levels of government and non-government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the creditor's normal terms for account payments;
- Avoiding pre-payment for goods or services (i.e. payments in advance of the receipt of goods or services), unless required by the contractual arrangements with the supplier or in any other exceptional circumstances;
- Accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;
- Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the municipality are collected and banked promptly;
- Accurately forecasting the institution's cash flow requirements;

- Timing the inflow and outflow of cash;
- Recognizing the time value of money, i.e. economically, efficiently, and effectively managing cash.
- Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under-utilized assets; and
- Avoiding bank overdrafts.

The overall responsibility of investments lies with the Municipal Manager. However the day to day handling of investments may be delegated to the Head of Department responsible for finance.

5. MANAGEMENT OF NET CURRENT ASSETS

5.1 Debtor Collections

The municipal council must set a target for debt collection based on the performance of the Municipal Manager during the last financial year. The target must be expressed as a percentage of potential income and/or the turn over rate of debtors.

All funds due to the council must be collected timeously and banked on a daily basis. Large sums of money received must be deposited into the bank account on the same day that payments are received.

All monies owing to the council must be correctly reflected in the debtors system.

Extension for payment of rates and service charges must only be consistent with the Credit Control and Debt Collection Policy of the Council

Moneys collected by some other agency on behalf of the council shall be paid over to the council or deposited in the bank account of the council in a manner prescribed by the Municipal Manager

(Daily deposits are preferable)

The receipt of all monies collected by the council shall be acknowledged forthwith by the issue of a numbered official receipt.

Receipt of Payments

Receipt of money over the counter:

- Every amount of payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by the issue of a numbered official receipt or cash ticket; and

- Every receipt form, which is cancelled, will be reattached, in the correct place, in the receipt book. Where computer generated receipt are used, the original receipt must be filed for audit purposes.

Receipt of Money by Post:

- When money (including postal orders and cheques) is received with the council's mail, the Typist /Clerk shall record all payment remittances as and when the cheque register Post-dated cheques received in the council's mail must also be recorded in the cheque register. The cheque register shall be regarded as the register of remittances received by post;
- The cheque register together with all remittances received must be sent to a designated official in the finance section;
- The designated official on receipt of the cheque register together with the remittances will code all remittances and submit it to the cashier for receipting;
- The cashier will receipt all remittances and issue official receipts to the designated official;
- The designated official will record all receipts in the cheque register and return same to the Typist/Clerk.
- All documents relating to remittances received in the mail must be filed for audit purposes;
- A separate register for postdated cheques will be maintained by the Cashier and all postdated cheques must be stored safely in the strong room; and
- The Cashier will ensure that all postdated cheques, which become due, are promptly receipted and recorded in the postdated cheque register.

5.2 <u>Management of Inventory (Stock)</u>

Cash Management must be improved by seeing that adequate stock control is exerted over all goods kept in stock.

Minimum and maximum stock levels, reordering procedures, turnover rate of stock items must be reviewed quarterly to ensure that funds are not unnecessary tied up in stock.

A stock register, reflecting the under mentioned detail must be kept and updated daily;

- Item description;
- Stores code number
- Transaction date;
- Goods received-

    - Goods delivery note number;
    - Number of items received; and
    - Value of items received.

- Goods issued
    - Requisition number; and
    - Number of items issued.

- Balance of items in stock.

Stock counts must be effected monthly and an annual report reflecting stock shortage and surpluses must be submitted to council on first quarter of the new financial year. All surpluses and shortages must be explained by the accountable head of departments.

5.3 Management of cash

The cash holding of the municipality must be kept at the minimum level required to finance the day to day operations of the municipality. For this purpose a daily, weekly, monthly and annual cash flow forecasts are required.

Sufficient provision must be made for the payment of:

- Salaries;
- Bulk purchases of electricity;
- General expenditure;
- Capital cost (Interest and redemption);
- Maintenance; and
- Payment to creditors involved in capital projects, and other goods and services

5.4 Payment of Creditors

Due to the high bank charges with regard to cheque payments, it is essential to limit the payment of creditors to one payment per creditor per month. Should the facility be available, payments should be done by electronic transfer – subject to strict control measures.

Proper consideration must be given to the conditions of credit terms of payment offered:

- If discounts are offered for early settlement they must be properly considered and utilized.
- Creditors must be reconciled monthly.

Payments must only occur on receipt of an official order; certified goods received note and official company invoice. The invoice must be properly authorized by the authorized signatory in terms of the delegation of authority as per paragraph 12 of Council's Supply Chain Management Policy

5.5 Management of bank overdraft

Barring the fact that Council has an approved overdraft facility with its primary banker for possible unanticipated short-term cash flow shortfall, its general policy is to avoid going into overdraft.
Short-term debt is incurred based on expected income and must be repaid within the same financial year. (Section 45 of the MFMA)
Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.
Any short term facility that requires review must first be approved by the Accounting Officer, and Council resolution must be obtained (in terms of standing rules and regulations this function has been delegated by Council to its Executive Committee)

6. CHEQUE MANAGEMENT AND ELECTRONIC FUNDS TRANSFER

6.1 Cheques

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes or bags, where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

6.2 Delegation/Rights

The incumbents of the following posts are authorized to sign cheques on behalf of the Council

- The Municipal Manager
- The Chief Financial Officer
- The Deputy Chief Financial Officer
- The Director Corporate Services

Each cheque must be signed by two of any signatories listed above

6.3 Electronic Funds Transfer Management

The following incumbents are authorized to authorize electronic funds transfer

- The Municipal Manager
- The Chief Financial Officer
- The Deputy Chief Financial Officer
- The Director Corporate Services

- The Senior Manager Finance: Revenue, and
- The Senior Manager Finance: Expenditure

- Each electronic fund transfer must be authorized by any two of the above listed officials, and the Senior Manager Finance: Expenditure is authorized to authorize in cases where there is only one incumbent available, and reasons must be stated on the payment voucher.

6.4 Transfer of funds for Investment purposes, and withdrawal of funds from investments

The transfer of funds for investment purposes and withdrawal of funds from investments must be authorized by the following incumbents:

- The Accountant Expenditure
- The Accountant Revenue
- The Senior Manager Finance: Expenditure, and
- The Senior Manager Finance: Revenue,

Transfer of funds for investment purposes and withdrawal of funds from investments must only be transferred once approval is obtained from any of the two incumbents authorized to authorize cheques.

7. INVESTMENT INSTRUMENTS

7.1 Investment institutions

uMlalazi Municipality may only invest in institutions determined by Minister in the Gazette which are currently as follows:

a) Securities issued by the National Government,
b) Deposits with Banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
c) Listed corporate bonds with an investment grade rating from an internationally recognized credit rating agency,
d) Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioner's Act, 1984 (Act 46 of 1984),
e) Deposits with the Corporations for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984),
f) Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
g) Guaranteed endowment policies with the intention of establishing a sinking fund,
h) Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
i) Municipal bonds issued by a municipality, and
j) Any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

7.2 Cash Flow Estimates

7.2.1 Before money can be invested, the Accounting Officer or his/her delegate must determine whether there will be surplus funds available during the term of the investment. He/she may fix the term of the investment

7.2.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates be drawn up.

7.2.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality.

7.2.4 The operating requirements must include provisions for:

- Monthly salary payments;
- Bulk purchases of electricity;
- Interest on long term loans;
- Maintenance of assets;
- General expenditure (payment to current creditors); and
- Expected monthly incomes.

7.2.5 From time to time the council will have surplus funds available which are not needed immediately and which could be invested. Depending on circumstances some funds could be invested for a long term whilst others would only be short-term investments. Surplus funds in the current account may also be invested for short periods (days).

- Long term investments should be made with an institution of minimum BBB rating (where BBB refers to lower risk institutions);
- Short term investments should be made with an institution of minimum B rating (where B refers to higher risk institution);
- Not more than 30% of available funds should be placed with a single institution; and
- The amount should not exceed 10% of the relevant institution's shareholder's funds (Capital and Reserves).

The most recent rating of the banking institutions be consulted prior to investments being made.

8. INVESTMENT ETHICS

The following ethics must apply when dealing with financial institutions and other interested parties:

8.1 The Municipal Manager or his/her delegate will be responsible for the investment of funds, and he/she has to steer clear of outside interference, regardless of whether such interference comes from individual councilors, agents or any other institution.

8.2 Council may at its discretion employ the use of specialist advisors to provide advice on investments from time to time. Specialist advisors are not entitled to commission. Furthermore, specialist advisors may not directly invest funds on behalf of Council. All investments must be made by the Municipal Manager or the official to whom responsibility to make investments has been delegated.

8.3 Under no circumstances may he/she be forced or bribed into making an investment. No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her work or was not intended to do so, and can merely be seen as goodwill. (gifts must be dealt with in terms of the Supply Chain Management Policy)

8.4 A certificate in respect of the gift should be furnished to the council. The gift should not be in lieu of a commission.

8.5 The Accounting Officer or his /her delegate must act according to their discretion and must report any serious cases of payment in kind or gifts, to Council. Excessive gifts and hospitality should however be avoided.

8.6 Interest rates offered should never be divulged to another institution before award has been made.

9. INVESTMENT PRINCIPLES

9.1 <u>Exposure to a single institution</u>

Money, especially large sums of money, must be invested with more than one institution, in order to limit risk exposure of the council. Not more than 30% of the available funds should be placed with a single institution.

9.2 Risk and Return

It can be accepted as a general rule that the larger the return, the greater the risk.

9.3 Borrowing money for reinvestment

The Council may not borrow money for investment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds. (in terms of S 46 (1)(a) of the Local Government Municipal Finance Management Act for the purposes of capital expenditure)

9.4 Registered Financial Institutions

If the Accounting Officer or his/her delegate invests with financial institutions, he/she must ensure that such institutions are registered in terms of the Banks Act 94 of 1990 and that they are approved financial institutions – as approved by the Reserve Bank, from time to time.

9.5 Growth-related Investments

When making investments, the Accounting Officer or his/her delegate must guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

10. GENERAL INVESTMENT PRACTICE

10.1 General

After determining whether there is cash available for investment and fixing the maximum term of investment, the Accounting Officer or his/her delegate must consider the way in which the investment is to be made. As rates can vary according to money market perceptions with regard to the terms of investment, quotations must be requested telephonically or in writing, within term limitations, and these must be set out on a schedule.

10.2 Commission Certificate

The Auditor-General requires the financial institution, where the Investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any person nominated by the agent or third party.

10.3 Reports

The Council must be given a monthly report on all investments.

10.4 Cash in the Bank

Where money is kept in current accounts, it would be possible to bargain for more beneficial rates with regards to deposits, for instance call deposits can increase these rates. The most important factor is that the cash in the current account must be kept to an absolute minimum.

10.5 Creditworthiness

When investments are placed with smaller registered institutions, the Accounting Officer or his/her delegate has to see to it that the municipality is not exposed to too much risk. He/she has to ensure that the creditworthiness and performance of the institution are to his/her satisfaction, before investing money in the institution. The Accounting Officer or his/her delegate is entitled to information from which the creditworthiness of financial institutions can be determined. This must be obtained and analyzed annually.

11. CALL AND FIXED DEPOSITS

11.1 Quotations should be obtained from a minimum of three financial institutions, bearing in mind the limits of the term of which it is intended to invest the funds. Should one of the institutions offer a better rate for a term, other than what the Municipality had in mind, the other institutions which were approached, should also be asked to fix a rate for that long a term.

11.2 It is acceptable to ask for quotations telephonically, as rates generally change on regular basis and time is determining factor when investments are made. The person responsible for requesting quotations from institutions must record the following:

- Name of institution;
- Name of person quoting rates;
- Period of the investment;
- Relevant terms; and
- Other facts i.e. are interest payable monthly or on maturation date.

11.3 Once a quote has been accepted written confirmation of the details must be obtained from the financial institution.

11.4 Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested. The best offer must under normal circumstances be accepted, with thorough consideration of investment principles. No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

11.5 If institutions have been asked for a quotation with regard to a specific package, the institution must be requested to give the best rate in their quotation. They must also be informed that, once the quotation has been given, no further bargaining or discussions will be entered into that regard.

11.5.1 The above procedure must be followed for all investments.

11.5.2 The Accounting Officer or his/her delegate must make sure that the investment document received is a genuine document, issued by an approved institution, and the investment capital must only be paid over to the institution with which it is to be invested and not to an agent.

12. OTHER EXTERNAL DEPOSITS

Other investment possibilities, which are subject to the applicable legislation and are available to the Council, include debentures and other municipalities or statutory bodies in the Republic, instituted under and in terms of any law. With regard to such investments, the principles and practices set out above must apply.

13. CONTROL OVER INVESTMENT

13.1 An investment register should be kept of all investments made. The following facts must be indicated:

- Name of institution,
- Capital invested,
- Date invested,
- Interest rate,
- Maturation date,
- Interest received,
- Capital repaid; and
- Balance invested

13.2 The investment register and accounting records must be reconciled on a monthly basis.

13.3 The investment register must be examined on a fortnightly basis to identify investments falling due within the next two weeks. It must then be established as what to do with the funds, bearing in mind the cash flow requirements.

13.4 Interest, correctly calculated must be received timeously, together with any distributable capital. The Chief Financial Officer or his/her delegate must check that the interest is calculated correctly.

13.5 Investment documents and certificates must be safeguarded in a fire resistant safe. The following documents must be safeguarded:

- Fixed deposit letter or investment certificate,
- Receipt for capital invested,
- Copy of electronic transfer or cheque requisition,
- Excel schedule of comparative investment figures,
- Commission certificate indicating no commission was paid on the investment; and
- Interest rate quoted.

13.6 The Accounting Officer or his/her delegate is responsible for ensuring that the invested funds are secure and, should there be a measure of risk, that such risk be rated realistically.

14. REPORTING

Report Name	Frequency	Prepared By	Recipient
Primary Bank Account	Daily	Accounts Payable: Administrator	The Municipal Manager, CFO, DCFO, , and The Manager Performance
Investments Register	Monthly	Accountant Expenditure	Finance Management Committee

15. ANNUAL REVIEW OF THE POLICY

This Policy on investments and cash management will be reviewed annually. Any changes to this policy must be adopted by council and must be consistent with the Act and any National Treasury regulations.

Annexure 3

uMlalazi Municipality

2015/2016 TARIFFS

	PROPERTY RATES		
	Categories		
		2014/2015	**2015/2016**
	Residential property	1:1	1:1
	Commercial and Industrial property	1:1	1:1.25
	Mining	1:2	1:2
	Vacant Land	1:1	1:2
	State and Education	1:1	01:01.3
	Public Benefit Organisation	1:0.25	1:0.25
	Agricultural property	1:0.25	1:0.25
	Public service infrastructure	1:0.25	1:0.25
	TARIFFS FOR PROPERTY RATES		
	Category	**2014/2015**	**2015/2016**
		c/R	**c/R**
	Residential property	1.2400	0.9341
	Commercial and Industrial property	1.2400	1.1677
	Mining	2.4800	1.1677
	Vacant Land	1.2400	1.8683
	State and Education	1.2400	1.1677
	Public Benefit Organisation	1.2400	0.2335
	Agricultural property	0.3089	0.2335
	Public service infrastructure	0.3089	0.2335

	SUMMARY OF REBATE AND REVENUE FORGONE		
		Total	**Total**
	Rebates		
	Clubs/Churches	1 097 035	581 437
	Pensioners	106 590	56 050
	Pensioners (earning above the stipulated threshold)	274 231	91 254
	Municipal properties	3 097 251	9 008 962
	Phasing out rebate		910 288
	Developers Rebate		566 641
	State Trust/ Communal Land		12 952 437
	Land Reform		223 730
	Indigents	814 155	61 358
	3rd year phase in	44 965	-
	Early Settlement Rebate	665 094	1 159 791
	Small holdings with agricultural activities	38 750	29 309
		6 138 071	**25 641 257**
	Revenue foregone		
	First 30% of the M/V for PSI	1 988 791	2 109 560
	2nd R85 000 non-rateable on residential	2 863 656	3 295 128
	1st R15 000 impermissible on residential	715 914	581 493
		5 568 361	**5 986 181**
	TOTAL	**11 706 432**	**31 627 438**

ELECTRICITY SUPPLY			
SECTION A: CHARGES FOR ELECTRICITY			
		2014/2015	**2015/2016**
1	**Eshowe Consumers**		
1.1	**Domestic consumers, churches and old age homes**		
	Monthly service charge(which charge excludes any kilowatt hour of electricity consumed	217.57	245.18
	Consumption charge		
	INCLINING BLOCK TARIFF SYSTEM		
	0 - 50 KwH	0.84	0.90
	51 - 350 KwH	1.06	1.14
	351- 600 KwH	1.41	1.59
	601> KwH	1.44	1.62
1.2	**Businesses, clubs ,boarding houses,hotels,school and hostels, Government /NPA**		
1.2.1	Monthly service charge(which charge excludes any kilowatt hour of electricity consumed		
	For a single-phase connection per month	278.45	313.78
	for a three-phase connection per month	797.83	899.07
1.2.2	Consumption charge	1.36	1.53
1.3	**Large consumers**		
1.3.1	Monthly service charge(which charge excludes any kilowatt hour of electricity consumed	454.84	512.57
	Consumption charge for KVA	184.69	208.13
1.3.2	Consumption charges	0.75	0.84
2	**King Dinuzulu Consumers**		
2.1	Monthly service charge		
	Domestic	217.57	245.18
	Business	797.83	899.07
2.2	Consumption Charge		
	Domestic		
	INCLINING BLOCK TARIFF SYSTEM		
	0 -50 kwH	0.84	0.90
	51-350 kwH	1.06	1.14
	351-600 KwH	1.42	1.59
	601>KwH	1.44	1.62
	Businesses	1.36	1.53
3	**Users where prepaid meters have been installed**		
3.1	Consumption charge- Domestic		
	INCLINING BLOCK TARIFF SYSTEM		
	0-50 KwH	0.84	0.90
	51-350 KwH	1.06	1.14
	351-600 KwH	1.42	1.61
	601>KwH	1.66	1.86
3.2	Consumption charge-Commercial (single phase)	1.70	1.91
3.3	Consumption charge-Commercial (three phase)		
3.4	Low Cost Housing		
	INCLINING BLOCK TARIFF SYSTEM		
	0-50 KwH	0.83	0.88
	51-350 KwH	1.04	1.10
	351-600 KwH	1.18	1.26
	601> KwH	1.27	1.35
4	Connection fees for the supply of electricity to Building Contractors		
4.1	Connection fees other than 3 phase		
	Connection fees (including disconnection)	441.48	497.51
	Plus all kilowatt hours consumed at Maximum period of supply 6 months	1.47	1.65
4.2	3 phase connections		
	Connection fee (including disconnection)	865.60	975.45
	Plus all kilowatt hours consumed at no Maximum period of supply 6 months	1.52	1.71
5	**Availability Charge**		
5.1	Availability Charge is payable in respect of all poperties,which can be yet or not served		
	by the electricity reticulation network .	217.23	244.80
	INCLUSIVE OF VAT		

SECTION B: CONSUMER DEPOSIT			
1	**Domestic Supply**	**2014/2015**	**2015/2016**
	Amateur sporting clubs		
	Charitable institutions		
	Churches		
	Government dwellings and institutions		
	Private dwelling houses		
	Retirement and care centres		
	Townhouses		
	Residential Flats	4 000.00	5 000.00
2	**Low Cost Housing Schemes**		
2.1	where valuation of property is below R100 000.00 (receives free refuse)	600.00	700.00
2.2	where valuation of property exceed R100 000.00	600.00	700.00
3	**Households With Pre Paid Electricity**		
3.1	**Properties Occupied by Tenants**		
	Deposit to be equivalent to three times the refuse charge		
4	**Commercial supply**		
4.1	Deposit to be based on three times the average monthly account over a period of three		
	months of a similar business or three times the average account over a period of three		
	months of the previous consumer		
4.2	Should the business to be operated be of the same type or per discretion of the chief		
	financial officer or his assignee with a minimum of	6 000.00	8 000.00
4.3	Bank guarantees are not acceptable		
5	**Commercial Consumer with Pre Paid Electricity**		
5.1	refuse removal service at least one day per week	1 000.00	1 500.00
5.2	refuse removal service at least six day removal per week	2 000.00	2 500.00
	INCLUSIVE OF VAT		

SECTION C: SUNDRY ELECTRICITY CHARGES			
		2014/2015	2015/2016
1	**Testing Fee**		
1.1	Special fee for testing installation at consumers request	165.00	174.00
1.2	Meter test		
	Prepayment meter testing fee	420.00	444.00
	single phase conventional meter	562.00	594.00
	400V Three phase conventional meter	726.00	768.00
	11 kv meter	cost+10%	cost+10%
1.3	Inspection fee, after failure upon first test		
1.4	fee for checking meter reading (which fee will be refunded should the reading be found		
	to be in corrected)	272.00	287.00
2	**Disconnection charge**		
2.1	Final Notice of demand		
2.1.1	Properties within the Municipality	198.00	209.00
2.1.2	Properties outside the Municipality(Plus 32c/km)	198.00	209.00
2.1.3	Where the disconnection is performed by a private contractor at the request of the		
	manager financial services	396.00	418.00
3	**Reconnection charge (penalties for services that may be disconnected if not paid on due**		
	date)		
3.1	for none -payment of account	198.00	209.00
3.2	for other reasons, per each occasion	198.00	209.00
3.3	Connection Charge-after office hours	582.00	615.00
4	**SERVICE CONNECTION FEES (NEW TARIFFS)**		
4.1	Single phase prepayment connection (60 amp)	1 927.00	1 983.00
4.2	Single phase prepayment connection (Sunnydale 20 amp)	950.00	980.00
4.3	Upgrade single phase prepayment connection (20 amp -60 amp)(KDS /Sunnydale)	12 207.00	12 570.00
4.4	Alternative single phase prepayment connection including ready board and cable	3 938.00	4 055.00
4.5	Single phase meter conversion from conventional to prepayment (Domestic and Small		
	Business)	1 314.00	1 355.00
4.6	Three phase meter conversion from conventional to three phase prepayment (Domestic		
	and Small Business)	4 472.00	4 620.00
4.7	Single phase conventional connection (see council resolution)	1 562.00	1 605.00
4.8	Second single phase prepayment connection on the same or subdivided premises	15 235.00	15 690.00
4.9	Single phase meter conversion from conventional to three phase conventional (domestic		
	and Small Business)	16 030.00	16 510.00
4.10	Single phase meter conversion from conventional to three phase prepayment meter		
	(Domestic and Small Business)	17 617.00	18 145.00
4.11	Domestic conversion from single to three phase maximum demand on connection (100		
	amp)	18 300.00	18 850.00
4.12	Domestic three phase conventional connection with a maximum demand of 100 amp	17 761.00	18 295.00
4.13	Domestic three phase prepayment connection	4 600.00	5 400.00
4.14	New 80A single phase supply or conversation from 60A to 80A	5 244.00	5 400.00
4.15	Non-domestic three phase connection with a maximum demand of 100 Amp	21 880.00	22 535.00
4.16	Conversion from 80A single phase prepayment to 3 phase prepayment connection	12 075.00	12 437.00
4.17	Three phase connection with a max demand greater than 60Amp(100A Eshowe) all cost		
	plus 10% of all equipment necessary plus the cost of the infrastructure contribution		
	for additional electricity above that being existing or allowed based on the zoning and		
	premises		
5	Tampering Fee	2 165.00	2 290.00
6	Pre Paid Electricity Identification Card	50.00	50.00
7	Moving /Relocation of a payment meter	766.00	810.00
8	Replacement of damaged or burnt-out prepayment meter single phase	865.00	915.00
9	Replacement of damaged or burnt-out prepayment meter three phase	3 389.00	3 585.00
10	Certificate of compliance -revisit fee	572.00	605.00
	INCLUSIVE OF VAT		

	WASTE MANAGEMENT		
SECTION C: REFUSE REMOVAL FEES			
1	**ESHOWE**	**2014/2015**	**2015/2016**
1.1	Domestic (removal service one day per week) Per refuse receptacle, per month	134.72	142.54
	Properties Occupied by tenants : refuse charges to based on a number of tenants (per		
	property)		
1.2	**Removal of refuse from business and other premises**		
	Per refuse receptacle for a service of at least one day per week per month	205.50	217.41
	Per refuse receptacle for a six days per week clearance ,per month	518.83	548.92
1.3	King Dinuzulu Users		
	Residential	134.72	142.54
	Business	205.50	217.41
1.4	Mass Container removal service		
	per container ,per month	4 338.02	4 589.62
	Mass Container removal service per container where the consumer supplies		
	the container for 12 months	768.45	813.02
	Thereafter per month	4 338.02	4 589.62
	2 Mass containers + 4 Receptacle	10 246.84	10 841.16
1.5	Schools		
	Removal service one day per week	207.78	219.84
	Per refuse receptacle for a six days per week clearance ,per month at schools	518.83	548.92
1.6	Hire of garden refuse container 'skip' for 2 day period	350.00	370.00
1.7	Removal of builders' rubble from properties per load of 2,3m or part hereof	732.00	774.00
1.8	Per polythene plastic bags	3.00	4.00
1.9	One bag of polythene black plastic bags(20 bags)	43.00	45.00
1.10	Making use of transfer station		
	Businesses(including garden service)	208.30	220.00
	Builders rubble	208.30	220.00
1.11	Lot Clearing per lot	cost + 10%	cost + 10%
2	**MTUNZINI**		
	Removal of household ,domestic or business refuse from all properties /for 2 removals		
	per week, per month or part thereof -		
2.1	Domestic including clubs	134.72	142.54
2.2	Hotels and supermarkets	841.57	890.38
2.3	Other food handling businesses	518.60	548.68
2.4	Non -food handling businesses	205.50	217.41
2.5	schools	207.78	219.83
2.6	Caravan parks for every 10 sites or part thereof	141.56	149.77
2.7	For every additional removal per load or part hereof	205.50	217.41
2.8	General Residential all sites per unit	141.56	149.77
2.9	Prawn farm	205.50	217.41
2.10	Use of refuse dump by instances outside municipal area, per month or part thereof	1 549.15	1 638.92
2.11	Removal of refuse other than household or domestic per load thereof	207.82	219.00
2.12	Removing of building rubble, per load thereof	731.00	773.00
2.13	Removal of Garden refuse per black bag	27.00	28.00
2.14	Making use of transfer station		
	Businesses(including garden services)	211.20	223.00
	Builders rubble	211.20	223.00
2.15	Lot Clearing per lot	Cost+10%	Cost+10%
3	**GINGINDLOVU**		
3.1	Commercial per month	205.50	217.41
	Commercial (bulk) per month	158.29	167.55
	Mass Container removal service	10 246.84	10 841.16
3.2	Residential Per month	134.72	142.54
3.3	Garden Refuse per black bag or part thereof	27.00	28.00
3.4	Rubble Removal per load or part thereof	731.00	773.00
3.5	Lot Clearing per lot	Cost+10%	Cost+10%
	INCLUSIVE OF VAT		

1	ADVERTISEMENTS	2014/2015	2015/2016
	Displaying of advertisements		
	General advertisement of events, meetings ,Billboards, direction signage and any other		
	signage determined by the council may be subjects to the services of an Advertisement		
	Consultant Company. Application fee for all Advertising	110.00	120.00
1.1	Posters and Flags **(per poster or flags per month)**		
	General	17.00	20.00
	Welfare Organisation	1.00	2.00
	Political(per announced election period)	1.00	2.00
1.2	Per banner per month	134.00	141.00
1.3	Billboards -per Bill Board annual charge irrespective if display period is less than one year	16 710.00	17 679.00
1.4	Deposit of 50% of quantities display-such deposit shall be retained by Council to cover		
	costs incurred if advert are not removed within the determined time period as stipulated		
	in the Advertising Bylaws.		
2	**HANDBILLS**		
2.1	For the permission to distribute handbills within the Municipality ,Per month	668.00	706.00
2.2	For the permission to distribute handbills within the Municipality ,Per year	4 456.00	4 714.00
3	**COMMUNITY HALLS**		
3.1	**HIRE FEE FOR COMMUNITY HALLS**		
	General functions including weddings,concerts,dances,exhibitions ,tournament		
	and any other function which derives a financial benefit	2 228.00	2 357.00
	Religious Services	222.00	234.00
	Public Meetings	222.00	234.00
	Hire of community Halls facilities by non residential for any purposes		
	Political Meetings	278.00	294.00
	For any other purpose approved by the Council per day	1 336.00	1 413.00
	Hire of Premier conference Centre	1 114.00	1 178.00
3.2	**DEPOSIT FEE FOR COMMUNITY HALLS**		
3.2.1	General functions including weddings,concerts,dances,exhibitions ,tournament		
	and any other function which derives a financial benefit	3 899.00	4 125.00
3.2.2	Religious Services	222.00	234.00
3.2.3	Public Meetings	222.00	234.00
3.2.4	For any other purpose approved by the Council per day	891.00	942.00
3.2.5	Political Meetings	557.00	589.00
	INCLUSIVE OF VAT		

4	TOWN PLANNING	2014/2015	2015/2016
4.1	**Consideration for approval of subdivisions/consolidations**		
4.1.1	Basic fee	1 224.00	1 294.00
4.1.2	Additional fee ,per subdivision (Remainder to be considered a subdivision)	122.00	129.00
4.1.3	Amendments of subdivision in process	244.00	258.00
4.1.4	Application for registration of right of way servitudes/long term lease . Administration		
	fee (note -this excludes legal fees)	244.00	258.00
4.1.5	Application for phasing /cancellation of approved layout plans Administration fee	1 837.00	1 943.00
4.2	**Application for relaxation of building line and /or side and rear spaces in terms of town**		
	planning clauses (per application)	780.00	825.00
4.3	**Rezoning Applications**		
4.3.1	Rezoning of unused public open spaces in line with Council's Policy (note advertisement		
	,closure and subdivision/consolidation fees would still apply)		
4.3.2	Other rezoning		
	(i) less than one ha	2 450.00	2 592.00
	(ii) 1 hectare and over but less than 5 hectares	3 063.00	3 240.00
	(iii)5 hectares and over but less 10 hectares	4 456.00	4 714.00
	(iv)10 hectares and over	6 127.00	6 482.00
4.4	**Zoning certificates**	55.00	58.00
4.5	**Special Consent**		
4.5.1	Consent to operate home industry without additional employment opportunities		
	(Category A)	612.00	647.00
4.5.2	All other consent use application (category B)	1 224.00	1 294.00
4.6	**Removal of Restrictive Conditions of Title**	1 224.00	1 294.00
4.7	**Closure of Public Street/opens spaces -Administration Fee**	289.00	305.00
4.8	**Administration of DFA Applications:**		
	(i) less than one ha	2 450.00	2 592.00
	(ii) 1 hectare and over but less than 5 hectares	3 063.00	3 240.00
	(iii)5 hectares and over but less 10 hectares	4 456.00	4 714.00
	(iv)10 hectares and over	6 127.00	6 482.00
4.9	**Development outside of schemes areas**		
	(i) less than one ha	3 676.00	3 889.00
	(ii)5 hectares and over but less than 10 hectares	5 570.00	5 893.00
	(iii)10 hectares and over	8 578.00	9 075.00
4.10	**Public notice**		
4.10.1	Notices in the legal section	2 450.00	2 592.00
4.10.2	Notices in the body of the paper	6 127.00	6 482.00
4.11	**Hearings**		
4.12	**Fines -as per section 75 and 89 of the planning and development act**		
4.12.1	fines as per section 75		
4.12.2	Additional Penalties in accordance with section 76		
4.12.3	Section 89 Civil penalty		
	in light of the introduction of the new planning and development Act in April 2010,the		
	tariffs have had to be revised so as to respond to the planning processes including there		
	in .in that regard ,all proposal now read as per tariff. In the instance that multiple		
	applications are lodged for consideration of council, individual tariffs will be applicable		
	to each type of application included on the application form. Application previous known		
	as 'consent uses' will now be known as Formal Authority throughout the councils		
	jurisdiction. this is in line with PDA . Application previously known as ' special consent '		
	will be now known as Consent throughout the councils jurisdiction. This is the new line		
	with the PDA		
	INCLUSIVE OF VAT		

5	**ENCROACHMENT- SIGNS**	**2014/2015**	**2015/2016**
	Street Encroachment		
	the charges for the street encroachment shall be payable annually in advance per sign		
	as follows		
5.1	Veranda posts, each	367.00	388.00
5.2	verandah,ground floor. per m or part thereof and including cantilevers overhanging the		
	pavement or footpaths ,per m or part thereof	27.00	28.00
5.3	Sign boards on, or overhanging the footpaths or pavement, each	557.00	589.00
5.4	Building Rubble, sand and the like left on the pavement per day or part thereof	134.00	141.00
5.5	Display of signs for hotels, boarding houses, guest houses and bed and breakfast		
	(maximum 4 signs per establishment),**per annum**	501.00	530.00
5.6	Any other signage excluded from 5.5, **per sign per month**	222.00	234.00
6	**MISCELLANEOUS SERVICES**		
	The following fee shall be paid to the Municipality in advance for the		
	production of documents, provision of certificates and extract information from records		
6.1	Search fee per account, document or file produced for inspection or duplicate account		
	made	55.00	58.00
6.2	Certified copy of extract from council's minutes and or hearing per page	55.00	58.00
6.3	Rates certificate ; manual RCC	350.00	400.00
	electronic RCC	160.00	165.00
6.4	Another certificate for each certificate	60.00	63.00
6.5	Standards and other bylaws per copy	90.00	95.00
	extract bylaws per page or part thereof	22.00	23.00
6.6	Valuation roll per town	835.00	883.00
6.7	Valuation roll per folio	22.00	23.00
6.8	Voters roll per folio	22.00	23.00
6.9	General Photocopy fees	7.00	8.00
6.10	Clearing of vacant lots	1 114.00	1 178.00
6.11	Tenders Documents -unless specifically prescribed	445.00	600.00
6.13	Any occupier or owner of a stand within uMlalazi Municipality will, subject to non-		
	compliance or default to a statutory notice directing him/her to cut clear a stand, have		
	a stand ,have the stand cut by uMlalazi Municipality and the same costs placed on his/her		
	consumer account	620.00	655.00
6.14	Application for revaluation where the property owner did not object during the objection stage	-	1 000.00
7	**LIBRARIES**	**2014/2015**	**2015/2016**
7.1	Overdue library material excluding videos	5.00	6.00
7.2	Overdue video material	6.00	7.00
7.3	Overdue library books including talking books	5.00	6.00
7.4	Overdue DVD material	7.00	8.00
7.5	Overdue Technicon Books	7.00	8.00
7.6	Lost book identity card	45.00	47.00
7.7	Lost patron card	45.00	47.00
7.8	Lost Technicon card	45.00	47.00
7.9	2 notification letter /post card	23.00	24.00
7.1	Photocopies of Library material per page	1.00	1.50
8	**PROMOTION OF ACCESS TO INFORMATION**		
8.1	Application Fee	56.00	59.00
8.2	for every A4 photocopy relating to the promotion of access to information act	5.00	6.00
8.3	for a copy in a computer readable format:- compact disk	73.00	77.00
	copy of an audio record	73.00	77.00
8.4	to search for the record for disclosure for each hour excluding the first hour	45.00	47.00
8.5	the actual postal fee is payable when a copy of a record must be posted ton a requester		
9	PUBLIC TOILETS		
9.1	Usage of public toilet per person	4.00	4.50
9.2	collection of water for cooking ,washing cars or other per litre	2.00	2.50
10	SWIMMING POOLS SUNNYDALE		
10.1	Day ticket- children	6.00	6.50
10.2	Day ticket- Adults	9.00	9.50
	season tickets - children	56.00	59.00
10.3	season tickets- Adults	84.00	88.00
	INCLUSIVE OF VAT		

11	**GARDEN REFUSE AND BUILDING RUBBLE TARIFFS**		
11.1	Garden Refuse - per ton load or part thereof	62.00	65.00
11.2	Commercial- per ton load	223.00	235.00
11.3	Building Rubble- per ton load	223.00	235.00
11.4	Mixed domestic waste -per ton load	106.00	112.00
11.5	Timber /tree stumps -per ton load	223.00	235.00
12	**BUILDING PLAN TARIFFS**		
12.1	NEW WORKS		
12.1.1	for new building or additions to existing building per square metre		
12.1.2	for the first 20 metre square	222.00	234.00
12.1.3	Each additional 10 m square or part thereof up to 5000 m square metre	138.00	146.00
12.1.4	Each additional 10 m square or part thereof more then 5000 m square and up to 15000 m	59.00	62.00
12.1.5	Each additional 10 m or part thereof more than 15 000 m square metre	37.00	39.00
12.2	**AS BUILT OR AMENDED PLANS**		
12.2.1	for as built plans,25% of existing submission fee ,plus full tariff for additional new works	25%of fee plus full tariff	25%of fee plus full tariff
12.3	**INTERNAL ALTERATIONS TO EXISTING BUILDINGS**		
12.3.1	Any form of internal alterations to existing buildings of any nature not defined as		
	"as built " or amended plans "(i.e. plans passed and structures which have already passed		
	occupation requirements)		
12.3.2	Fixed tariff: Structures up to 500 square metre	337.00	356.00
12.3.3	Structures up to 5000 square metre	665.00	703.00
12.3.4	Structures exceeding 5000 square metre	1 056.00	1 117.00
12.3.5	for the renewal of plans have expired		
12.3.6	for swimming pools	337.00	356.00
12.3.7	for boundary walls /fences	337.00	356.00
12.3.8	for any other plan submitted other than described above ,a fixed tariff of	443.00	468.00
12.3.9	for a permit for minor structures in terms of Act 103 of 1977, a fixed tariff of	221.00	233.00
13	**PRODUCTION OF MAPS /BUILDING PLAN**		
13.1	**OZALID COPIER**		
	A 1 PAPER	42.00	44.00
13.2	**HP COPIERS BLACK/WHITE PRINTS**		
13.2.1	A 4	21.00	22.00
13.2.2	A 3	26.00	27.00
13.2.3	A2&A1	42.00	44.00
13.2.4	A0	63.00	66.00
13.3	**HP COPIERS COLOUR PRINTS**		
13.3.1	A 4	31.00	32.00
13.3.2	A 3	52.00	55.00
13.3.3	A2&A1	147.00	155.00
13.3.4	A0	200.00	211.00
13.4	**LAMINATE COPIES**		
13.4.1	A2&A1	52.00	55.00
13.4.2	A0	73.00	77.00
13.5	**AO SCANNER,COPIER &PRINTER**		
13.5.1	A0 PAPER	42.00	44.00
13.5.2	A1 PAPER	26.00	27.00
13.5.3	A0 PLASTIC	89.00	94.00
13.5.4	A1 PLASTIC	52.00	55.00
14	**ENGINEERING INSPECTIONS AND APPLICATIONS**		
14.1	P.T.O. Applications	390.00	412.00
14.2	Sewer Applications	221.00	233.00
14.3	Encroachments(per side)	200.00	211.00
14.4	Site visit for boundaries line (per peg)	200.00	211.00
15	**ROAD CROSSING RE-INSTATEMENTS**		
15.1	Premix surfacing per square metre	126.00	133.00
15.2	Base (G2 crusher run)per square metre	137.00	144.00
	INCLUSIVE OF VAT		

16	CEMETERY TARIFFS	2014/2015	2015/2016
16.1	**TARIFFS FOR RESIDENTS**		
16.1.1	Burial for stillborn/infant	739.00	781.00
16.1.2	Burial for person under the age of 12 years	855.00	904.00
16.1.3	Burial for person over the age of 12 years	1 114.00	1 178.00
16.1.4	Burial Double deep	1 895.00	2 004.00
16.1.5	Burial Casket	1 895.00	2 004.00
16.1.6	Double grave	2 228.00	2 357.00
16.1.7	Niche-Wall of Remembrance	369.00	390.00
16.2	**TARIFFS FOR NON-RESIDENTS**		
16.2.1	Burial for stillborn/infant	1 726.00	1 826.00
16.2.2	Burial for person under the age of 12 years	2 566.00	2 714.00
16.2.3	Burial for person over the age of 12 years	4 794.00	5 072.00
16.2.4	Double grave	7 244.00	7 664.00
16.2.5	Niche-Wall of Remembrance	612.00	647.00
16.3	**GENERAL**		
16.3.1	Opening a grave for exhumation	8 912.00	9 428.00
16.3.2	Permission to erect memorial stone	311.00	329.00
16.3.3	Proof must be handed in that the **deceased** was resident in the Council's area or		
	jurisdiction for continuous period exceeding 3 moths		
16.3.4	Burial plot sizes: adult -2.5m*1.5m*1.8m deep		
16.3.5	Burial plot sizes : child -1.5m*1.0*1.8m* deep		
16.3.6	Burial aperture sizes : adult - 2.2m *0.9m*1.8m deep		
16.3.7	Burial aperture sizes : child - 1,2m*0,7m*1,8m		
17	**TAXI RANK TARIFFS**		
	Permit per Annum	110.00	116.00
18	**POUND TARIFFS**		
18.1	Transportation Fee		
	Amount payable to Pound Master:		
	The kilometre tariff for the vehicle which, in the discretion of the pound keeper, is		
	reasonably necessary to transport the relevant animal to the pound, as determined by the		
	Automobile of South Africa (AA) from time to time.		
	Amount payable to Council:	Nil	Nil
18.2	Pound fees		
	Amount payable to Pound Master:		
	a) R30.00 per day for any pig, sheep or goat		
	Amount payable to Council:	15.00	16.00
	b) R70.00 per day for any other animal		
	Amount payable to Council:	50.00	52.00
18.3	Other costs		
	Amount payable to Pound Master:		
	All other actual costs including tending, dipping or spraying, wound dressing, medication,		
	veterinarian and any other costs incurred.		
	Amount payable to Council:	Nil	Nil
	INCLUSIVE OF VAT		

Annexure 4

uMLALAZI MUNICIPALITY

SDBIP

QUATERLY PERFORMNCE PROJECTIONS FOR THE 2015/2016 FINANCIAL YEAR

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
MM 1		To improve Service Delivery and the image of uMlalazi Municipality	Fill all funded prioritized vacant posts in the organogram	No. of funded prioritized vacant posts filled by 31 December 2015	0	_____ funded prioritized vacant posts filled by 31 December 2015	0	0	_____ funded prioritized vacant posts filled by 31 December 2015	R 12 590 000
MM 2			To ensure that all S54/56 Performance Agreements are signed by 31 July 2015.	No of performance agreements signed by 31 July 2014 for all funded Section 57 posts	5 x S54/56 Performance Agreements (MM, CFO, DCS, DES, DCOM) signed by 31 July 2015	0	0	1 x S54/56 Agreement (DPS) to be signed by 30 June 2016.	5 x S54/56 Performance Agreements (MM, CFO, DCS, DES, DCOM) signed by 31 July 2014 and 1 x S54/56 Agreement (DPS) to be signed by 30 June 2016.	R 4 560
MM 3	IDP 1.2.2 OPMS 4	Organisational skills development and capacity building	Undertake training for staff and Councillors as per skills development plan and to ensure at least 90% of training budget is spent by 30 June 2016.	% of training budget actually spent on skills development and capacity building by 30 June 2016.	Identify staff & Cllrs requiring skills development	50% of Training budget to be spent	75% of Training budget to be spent	100% of Training budget to be spent by 30 June 2016	100% of Training budget to be spent by 30 June 2016	R 748 420

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
MM 4		Effective and efficient Municipal Administration & Communication	Administer Council, EXCO, Portfolio and staff meetings	No. Of Council, EXCO, Portfolio and staff meetings meetings held	Ensure that at least 1 Council, 3 Exco, 7 Portfolio Committee & 6 MANCOmeetings are held in Quarter 2.	Ensure that at least 1 Council, 3 Exco, 7 Portfolio Committee & 6 MANCOmeetings are held in Quarter 2.	Ensure that at least 1 Council, 2 Exco, 7 Portfolio Committee & 6 MANCOmeetings are held in Quarter 2.	Ensure that at least 1 Council, 3 Exco , 7 Portfolio Committee & 6 MANCO meetings are held in Quarter 4.	Ensure that 4 Council, 11 Exco, 38 Portfolio Committee & 24 MANCO meetings are held in the 2015/2016 FY.	R 715 740
MM 5			Implementation of communication strategy	Number of Reports submitted to the Portfolio Committee on the Implementation of the communication strategy	1 report to be submitted to the Portfolio Committee on the Implementation of the communication strategy	1 report to be submitted to the Portfolio Committee on the Implementation of the communication strategy	1 report to be submitted to the Portfolio Committee on the Implementation of the communication strategy	1 report to be submitted to the Portfolio Committee on the Implementation of the communication strategy	4 reports to be submitted to the Portfolio Committee on the Implementation of the communication strategy	R 1 500 000
MM 6		Strengthen and improve employment equity in the municipality	Ensure compliance with approved employment equity plan	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with approved equity plan	100% of people employed in the three highest levels of management in Quarter 1 is in compliance with approved equity plan	100% of people employed in the three highest levels of management in Quarter 2 is in compliance with approved equity plan	100% of people employed in the three highest levels of management in Quarter 3 is in compliance with approved equity plan	100% of people employed in the three highest levels of management in Quarter 4 is in compliance with approved equity plan	100% of people employed in the three highest levels of management in the 2014/2015 FY is in compliance with approved equity plan	R 4 560
MM 7		Policy Development	Develop new Policies and Review existing Policies	Number of new Policies developed & existing Policies reviewed by 30 June 2016	0	0	0	2 HR Policies, 3 Budget related Policies to be developed & 2 outdated policies to be reviewed by 30 June 2016	2 HR Policies, 3 Budget related Policies to be developed & 2 outdated policies to be reviewed by 30 June 2016	R 48 320

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT										
MM 8		To provide Fee Basic Services to all indigent households	Provide free basic services to all indigent households with available resources	Number of households with access to free basic waste collection services	10710 households to benefit from free basic waste collection services in Quarter 1.	10710 households to benefit from free basic waste collection services in Quarter 2.	10710 households to benefit from free basic waste collection services in Quarter 3	10710 households to benefit from free basic waste collection services in Quarter 4.	10710 households to benefit in the 2015/2016 FY from free basic waste collection services	R 1 650 170
MM 9				Number of households with access to free electricity services	2300 households to benefit from free electricity services	2300 households to benefit from free electricity services	2300 households to benefit from free electricity services	2300 households to benefit from free electricity services	2300 households to benefit from free electricity services	R 1 336 130
MM 10		To facilitate the provision of potable water and sanitation	Facilitate with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	Number of meetings attended	0	1 alignment meeting to be attended at Uthungulu District Municipality in Quarter 2.	1 alignment meeting to be attended at Uthungulu District Municipality in Quarter 3.	1 alignment meeting to be attended at Uthungulu District Municipality in Quarter 4	4 alignment meetings to be attended at Uthungulu District Municipality in the 2015/2016 FY	R 19 280
MM 11		To ensure the provision and maintenance of municipal roads, sidewalks and causeways	Implementation of Pavement Management System for municipal roads, sidewalks and Stormwater	Km of roads upgraded	2kms of road to be upgraded .	5kms of road to be upgraded .	10kms of road to be upgraded .	15kms of road to be upgraded .	15kms of road to be upgraded by 30 June 2016.	R 38 490 000
MM 12			Review Pavement Management System	Date of approval of Pavement Management System by EXCO	0	Pavement Management System to be approved by 31 December 2015	0	0	Pavement Management System to be approved by 31 December 2015	R 450 000
MM 13			Upgrade/rehabilitation of urban roads, Sidewalks & Stormwater as per MIG/capital budget	km of urban roads upgraded / rehabilitated by 30 June 2016	0	0	0	2kms of road to be upgraded by 30 June 2016	2kms of road to be upgraded by 30 June 2016	R 8 390 000
MM 14			Implement rural roads programme with hired graders	Km of roads graded	500kms of road to be graded	500kms of road to be graded	500kms of road to be graded	500kms of road to be graded	2000kms of road to be graded by 30 June 2016.	R 9 504 230

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
MM 15		To plan and support the acceleration of sustainable human settlements	Review Housing Sector Plan	Date of approval by Council of Reviewed Housing Sector Plan	0	0	0	Housing Sector Plan to be reviewed by 30 June 2016.	Housing Sector Plan to be reviewed by 30 June 2016.	R 250 000
MM 16		Facilitate the Implementation of Operation Sukuma Sakhe (Flagship Programme	Submit reports to the Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	Number of reports submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	1 report to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	1 report to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	1 report to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	1 report to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	4 reports to be submitted to Portfolio Committee on the Operation Sukuma Sakhe initiatives implemented in all wards	R 350 000
MM 17										
MM 18		To ensure that businesses within uMlalazi Municipality are licensed through the LED department	Develop a database of businesses in uMlalazi Municipality area	Date of approval of database	0	0	0	Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2016.	Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2016.	R 55 340
MM 19		To contribute towards the reduction of unemployment	To create jobs through various municipal projects through EPWP / CWP	Number of jobs created	650 Jobs to be created through various Municipal Projects/programmes	650 Jobs created through various Municipal Projects/programmes to be maintained	650 Jobs created through various Municipal Projects/programmes to be maintained	650 Jobs created through various Municipal Projects/programmes to be maintained	650 Jobs to be created through various Municipal Projects/programmes	R 3 037 000
KPA 4 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
MM 20		Advance and maintain the financial viability of the Municipality	Enhance revenue collection	% of revenue collection	95% Revenue collection	95% Revenue collection	95% Revenue collection	95% Revenue collection	95% Revenue collection	R 157 010
MM 21			Maintain acceptable norm of municipal liquidity management	Ratio of cash / cost coverage of monthly fixed operating commitments	Acceptable norm of 3.00 to be maintained	Acceptable norm of 3.00 to be maintained	Acceptable norm of 3.00 to be maintained	Acceptable norm of 3.00 to be maintained	Acceptable norm of 3.00 to be maintained	R 157 010
MM 22		Improve the financial performance of the municipality	Minimise Service Delivery Distribution loss for electricity services	Percentage loss of potential revenue of services delivered	Service Delivery losses for electricity to be between 5% - 12%	Service Delivery losses for electricity to be between 5% -12%	Service Delivery losses for electricity to be between 5% -12%	Service Delivery losses for electricity to be between 5% -12%	Service Delivery losses for electricity to be between 5% - 12%	R 78 500

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
MM 23		Optimise budget implementation in the municipality	Optimise budget implementation in the municipality	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	Ensure that at least 10% of the operating budget amount is spent in the municipality	Ensure that at least 50% of the operating budget amount is spent in the municipality	Ensure that at least 70% of the operating budget amount is spent in the municipality	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	R 317 056 630
MM 24				Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure that at least 10% of the capital budget amount is spent in the municipality	Ensure that at least 30% of the capital budget amount is spent in the municipality	Ensure that at least 80% of the capital budget amount is spent in the municipality	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	R 72 363 900
GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
MM 25		Effective Municipal Oversight	Develop SMART Organisational Performance Management Systems by 30 June 2016	Date of approval of OPMS by Council	0	0	Draft OPMS Scorecard to be included in Draft IDP Review document by 31 March 2016	OPMS Scorecard for 2015/2016 FY to be approved with IDP by 30 June 2016.	OPMS Scorecard for 2015/2016 FY to be approved with IDP by 30 June 2016.	R 40 000
MM 26			Submit Quarterly PMS reports to Council & Internal Audit	Number of PMS reports submitted to Council & Internal Audit	1 PMS report for Quarter 1 to be submitted to EXCO and Internal Audit in Quarter 2.	1 PMS report for Quarter 1 to be submitted to EXCO and Internal Audit in Quarter 2.	1 PMS report for Quarter 1 to be submitted to EXCO and Internal Audit in Quarter 2.	* 1 report on 3rd Quarter PMS to be submitted to Council by 30 April 2016	1 PMS report for Quarter 1 to be submitted to EXCO and Internal Audit in Quarter 2.	R 55 340
MM 27			Hold Quarterly Municipal Public Accounts Committee (MPAC), Bi-annual Performance Audit Committee &	Number of Audit Committee, MPAC, PAC	1 Audit Committee, 1 PAC & 1 MPAC meeting to be held in Quarter 1	1 Audit Committee, 1 PAC & 1 MPAC meeting to be held in Quarter 2	1 Audit Committee, 1 PAC & 1 MPAC meeting to be held in Quarter 3.	1 Audit Committee, 1 PAC & 1 MPAC meeting to be held in Quarter 4.	4 Audit Committee, 4 PAC & 4 MPAC meeting to be held in the 2015/2016 FY.	R 172 940
MM 28			Submission of annual report to AG	Date of submission of Annual report to Auditor General	Annual Report for 2013/2014 FY to be submitted to AG by 31 August 2015.	0	0	0	Annual Report for 2013/2014 FY to be submitted to AG by 31 August 2015.	R 48 320
MM 29			Ensure the submission of the Annual Financial Statement to AG by 31 August 2015	Date of Submission of AFS to AG	Annual Financial Statement for 2013/2014 FY to be submitted to AG by 31 August 2015.	0	0	0	Annual Financial Statement for 2013/2014 FY to be submitted to AG by 31 August 2014.	
MM 30			Approval of Oversight Report of annual report	Date of finalisation of oversight report	0	Draft Oversight report to be approved by MPAC by 31 December 2015.	Oversight Report for 2013/2014 FY to be approved by Council by 31 March 2016.	0	Oversight Report for 2013/2014 FY to be approved by Council by 31 March 2016.	R 48 320

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
MM 31		To Obtain Clean Audit	Prepare Interim Financial Statements to ensure material misstatements of liabilities and revenue.	No. of Interim FS prepared	0	0	1 Interim Financial statement for quarter 2 to be prepared by 31 March 2016.	0	1 Interim Financial statement for quarter 2 to be prepared by 31 March 2016.	R 55 340
MM 32			Ensure 100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	% payment to Creditors made within 30 days	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	R 39 250
MM 33			Ensure compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	No. of reports submitted to Portfolio Committee on granting of awards and related internal controls	1 report to be forwarded to Portfolio Committee by 31 Sept 2015.	1 report to be forwarded to Portfolio Committee by 31 Dec 2015	1 report to be forwarded to Portfolio Committee by 31 March 2016	1 report to be forwarded to Portfolio Committee by 30 June 2016	4 reports to be submitted to Portfolio Committee on compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	R 39 250
MM 34		Mitigate the Impact of HIV/Aids in the Municipality area	Effective functioning of uMlalazi Aids Council	No of meetings held	1 uMlalazi Aids Council meeting to be held	1 uMlalazi Aids Council meeting to be held	1 uMlalazi Aids Council meeting to be held	1 uMlalazi Aids Council meeting to be held	4 uMlalazi Aids Council meetings to be held	R 15 280
MM 35			Develop/ review HIV/Aids Strategy/Plan	Date of approval of plan	0	0	0	HIV Aids Plan to be reviewed by Council by 30 April 2016.	HIV Aids Plan to be reviewed by Council by 30 April 2016.	R 15 280
MM 36		To reduce Risk to the Organisation	Review Enterprise Risk Plan	Date of Review	0	0	0	Enterprise Risk Plan to be approved by 30 May 2016.	Enterprise Risk Plan to be approved by 30 May 2016.	R 35 790
MM 37			Review Fraud Risk Plan	Date of Review	0	0	0	Fraud Risk Plan to be approved by 30 May 2016	Fraud Risk Plan to be approved by 30 May 2016	R 24 160
MM 38		Ensure that public participation structures are established, capacitated and functional	Communicate IDP process plan to Stakeholders and Ward Committees	No of meetings	* 26 Ward Committee meetings to be held to discuss process plan * 1 stakeholder meeting to be held	0	0	0	* 26 Ward Committee meetings to be held to discuss process plan * 1 stakeholder meeting to be held	R 24 160

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - MUNICIPAL MANAGER										
No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
MM 39			Facilitate functionality of all Ward Committees (include training and development)	No of functional Ward Committees	26 Ward Committees to be functional in terms of functionality tests submitted to COGTA	26 Ward Committees to be functional in terms of functionality tests submitted to COGTA	26 Ward Committees to be functional in terms of functionality tests submitted to COGTA	26 Ward Committees to be functional in terms of functionality tests submitted to COGTA	26 Ward Committees to be functional in terms of functionality tests submitted to COGTA	R 1 000 000
MM 40		To ensure the continuation of the twinning agreement with Geel Municipality (Belgium) and Songdal Municipality (Norway)	Support twinning with Songdal Municipality (Norway)	Number of reports	1 report to be submitted to MCOR Committee	1 report to be submitted to MCOR Committee	1 report to be submitted to MCOR Committee	1 report to be submitted to MCOR Committee	4 reports to be submitted to MCOR Committee to ensure continuation of Twinning Arrangements with Norway Municipality	R 100 000
CROSS CUTTING ISSUES										
MM 41		To promote integrated development planning	Prepare & Review Land Use Management Scheme for Rural and Urban Areas by 30 June 2016	Date of approval of scheme by Council	0	0	0	LUMS to be approved by Council by 30 June 2016	LUMS to be approved by Council by 30 June 2016	R 1 000 000
MM 42			Review uMlalazi IDP for 2015/2016	Date of approval by Council	Strategic Planning session to be held by 30 September 2015	* Advertise IDP Roadshows by 30 October 2015 * IDP Rep Forum meeting to be held by 30 October 2015	* Meeting to be held with Stakeholders by 28 February 2016. * 2nd IDP Strat meeting to be held by 30 march 2016 to link budget & SDBIP to IDP	* Final Idp to be approved by Council by 30 June 2016.	* Final Idp to be approved by Council by 30 June 2016.	R 55 340

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR CORPORATE SERVICES

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
DCS 1	IDP 1.2.3 OPMS 6	To implement and support internship, learnership and in-service training programmes	Ensure the appointment of students for internship, learnership and in-service training programmes and report to LLF	Number of interns appointed and number of reports submitted to LLF on intership, learnership and in-service trainings/programmes implemented	6 interns to be appointed by 30 September 2015	6 interns to be appointed by 31	1 report to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented	1 report to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented	4 reports to be submitted to LLF on intership, learnership and in-service trainings/programmes implemented	R 180 000
DCS 2	IDP 1.2.1 OPMS 4	Undertake training for staff and Councillors as per skills development plan by 30 June 2016	Ensure training is provided for staff and Councillors as per skills development plan and ensure 90% budget spent.	percentage of budget spent on training for staff and Councillors	0	Proceed with SCM processes for skills development	0	* Training to be provided for staff and Cllrs by 30 June 2016 * 90% of budget to be spent	* Training to be provided for staff and Cllrs by 30 June 2016 * 90% of budget to be spent	R 748 420
DCS 3			Ensure submission of Worksplace skills plan by 30 May 2016	Date of submissionof WSP	0	0	Ensure conSolidation of Skills training from departments into WSP by 30 April 2016	WSP to be submitted by 30 May 2015	WSP to be submitted by 30 May 2015	
DCS 4			To identify training needs within the Corporate Services department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	0	meeting to be held with staff to identify training needs	Training needs of department to be submitted to HR by 31 March 2016	0	Training needs of department to be submitted to HR by 31 March 2016	
DCS 5	IDP 1.3.1 OPMS 7	To ensure the updating of the Contracts Register	Ensure quarterly reports are submitted to EXCO on all Contracts entered with expiry dates	Number of reports submitted to EXCO	1 report to be submitted to EXCO	1 report to be submitted to EXCO	1 report to be submitted to EXCO	1 report to be submitted to EXCO	4 reports to be submitted to EXCO	R 19 280

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR CORPORATE SERVICES

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCS 6	IDP 1.4.1 OPMS 9	To ensure the functionality of the ICT Systems and submit quarterly reports to ICT Steering in the organisation	Report on the functionality of the intergrated document Management System in Registry	Number of reports submitted to the ICT Steering Committee on the functionality of the document management system	1 report to be submitted to the ICT Steering Committee	1 report to be submitted to the ICT Steering Committee	1 report to be submitted to the ICT Steering Committee	1 report to be submitted to the ICT Steering Committee	4 reports to be submitted to the ICT Steering Committee	R 800 000
DCS 7			Report on uploads done on Website	Number of reports submitted	1 report to be submitted to the ICT Steering Committee	1 report to be submitted to the ICT Steering Committee	1 report to be submitted to the ICT Steering Committee	1 report to be submitted to the ICT Steering Committee	4 reports to be submitted to the ICT Steering Committee	R 0
DCS 8	IDP 1.5.1 OPMS 10	To administer Council, Exco, Portfolio and staff meetings	Administer Council, Exco, Portfolio and staff meetings	Number of staff meetings held	* 2 Middle Management Meetings to be held * 1 Staff meetings	* 2 Middle Management Meetings to be held * 1 Staff meetings	* 2 Middle Management Meetings to be held * 1 Staff meetings	* 2 Middle Management Meetings to be held * 1 Staff meetings	* 12 Middle Management Meetings to be held * 4 Staff meetings	R 715 740
DCS 9				Number of meetings o	* Provide Admin services for 1 Council, 3 Exco & 7 Portfolio Committee meetings * Compile 3 reports to the Chair of SRO on non attendance * Submit 1 report to EXCO on implementation of SRO in terms of non attendance at meetings	* Provide Admin services for 1 Council, 3 Exco & 7 Portfolio Committee meetings * Compile 3 reports to the Chair of SRO on non attendance * Submit 1 report to EXCO on implementation of SRO in terms of non attendance at meetings	* Provide Admin services for 2 Council, 2 Exco & 4 Portfolio Committee meetings * Compile 2 reports to the Chair of SRO on non attendance * Submit 1 report to EXCO on implementation of SRO in terms of non attendance at meetings	* Provide Admin services for 2 Council, 3 Exco & 7 Portfolio Committee meetings * Compile 3 reports to the Chair of SRO on non attendance * Submit 1 report to EXCO on implementation of SRO in terms of non attendance at meetings	* Provide Admin services for 6 Council, 11 Exco & 25 Portfolio Committee meetings * Compile 11 reports to the Chair of SRO on non attendance * Submit 4 report to EXCO on implementation of SRO in terms of non attendance at meetings	
DCS 10			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager	3 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	2 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	11 reports to be submitted to MM on actioning of resolutions	
DCS 11	IDP 1.5.2 OPMS 11		Implementation of communication strategy	Number of Reports submitted to the Portfolio Committee on the Implementation of the communication strategy	1 report to be submitted to the Portfolio Committee	1 report to be submitted to the Portfolio Committee	1 report to be submitted to the Portfolio Committee	1 report to be submitted to the Portfolio Committee	4 reports to be submitted to the Portfolio Committee	R 48 320

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR CORPORATE SERVICES

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCS 12	IDP 1.7.1 OPMS 20	To ensure 100% of people employed in the three highest levels of management in the 2015/2016 FY is in compliance with approved equity plan	Ensure advertisements stipulate the requirements of approved employment equity plan	Percentage of advertisements in terms of EEP	100% of advertisements for vacant positions to be done in compliance with approved Employment Equity Plan	100% of advertisements for vacant positions to be done in compliance with approved Employment Equity Plan	100% of advertisements for vacant positions to be done in compliance with approved Employment Equity Plan	100% of advertisements for vacant positions to be done in compliance with approved Employment Equity Plan	100% of advertisements for vacant positions to be done in compliance with approved Employment Equity Plan	R 4 560
KPA 4 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
DCS 13	IDP 4.3.2 OPMS 56	To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure purchase of furniture & Equipment and budget spent by 30 November 2015	Date budget spent on the purchase of furniture & Equipment	Commence with SCM processes	Budget on furniture & Equipmentto be spent by 30 November 2015	0	0	Budget on furniture & Equipmentto be spent by 30 November 2015	R 450 000
DCS 14			Ensure upgrade of Kitchen and budget spent by 31 December 2015	Date budget spent on upgrade of Kitchen	Commence with SCM processes	Budget on kitchen upgrade to be spent by 31 December 2015	0	0	Budget on kitchen upgrade to be spent by 31 December 2015	R 30 000
DCS 15			Ensure purchase of furniture & Equipment and budget spent by 30 November 2015 for Town Hall & offices	Date budget spent on the purchase of furniture & Equipment	Commence with SCM processes	Budget on purchase of furniture & Equipment to be spent by 30 November 2015	0	0	Budget on purchase of furniture & Equipment to be spent by 30 November 2015	R 135 000
DCS 16			Ensure purchase of propnet properties and budget spent by 30 November 2015	Date of expenditure on purchase of propnet properties	0	0	0	Budget on purchase of Propnet properties to be spent by 30 June 2016	Budget on purchase of Propnet properties to be spent by 30 June 2016	R 300 000

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR CORPORATE SERVICES

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCS 17			Ensure the upgrade of reception and budget spent by 31 December 2015	Date budget spent on the purchase of furniture & Equipment	Commence with SCM processes	Budget on upgrade of reception to be spent by 31 December 2015	0	0	Budget on upgrade of reception to be spent by 31 December 2015	R 200 000
DCS 18		Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	Ensure the monitoring of legal services and report quarterly to EXCO and budget spent by 30 June 2015	Number of reports submitted to EXCO on the progress of Legal Cases entered into by the Municipal Manager in terms of his delegated authority on behalf of Council and date of expenditure	1 report submitted to EXCO	1 report submitted to EXCO	1 report submitted to EXCO	1 report submitted to EXCO	* budget on legal services spent by 30 June 2015 * 4 reports submitted to EXCO	R 1 587 000
DCS 19			Ensure the monitoring of telephone calls and budget on telephones spent by 30 June 2015	Number of reports submitted to MM on Telephone call costs per departments and date of budget spent	1 report to be submitted to MM	1 report to be submitted to MM on Telephone c	1 report to be submitted to MM	1 report to be submitted to MM	* 4 reports to be submitted to MM * 4 reports submitted to MM	R 1 129 410
DCS 20			Ensure the monitoring of grants-in-aids paid to Zululand Historical Museum & Tourism and budget to be spent by 31 December 2015	Number of Reports received from ZHM & Tourism on expenditure of Grants and date of expenditure	0	* 2 grant expenditure reports to be received * Budget on Grant-in-Aids to be paid to the organisations by 31 December 2015	0	0	* 2 grant expenditure reports to be received * Budget on Grant-in-Aids to be paid to the organisations by 31 December 2015	R 773 360
			GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
DCS 21	IDP 1.6.1 OPMS 12	Development of SMART Organisational Performance Management Systems	Monitor the performance of all Corporate Services staff monthly and ensure that monthly consolidated performance report is submitted to MM	Number of Consolidated Corporate Services staff Performance report submitted to MM	3 Consolidated staff Performance report to be submitted to MM	3 Consolidated staff Performance report to be submitted to MM	3 Consolidated staff Performance report to be submitted to MM	3 Consolidated staff Performance report to be submitted to MM	12 Consolidated staff Performance report to be submitted to MM	R 40 000

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR CORPORATE SERVICES

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCS 22			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessment reports completed on the assessment for the service provider for the Website	3 reports completed on the performance assessment on the service provider for the Website	3 reports completed on the performance assessment on the service provider for the Website	3 reports completed on the performance assessment on the service provider for the Website	3 reports completed on the performance assessment on the service provider for the Website	12 reports completed on the performance assessment on the service provider for the Website	R 50 000
DCS 23			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessment reports completed on the assessment for the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	12 reports completed on the performance assessment on the service provider for the lease of office equipment	R 280 820
DCS 24			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessment reports completed on the assessment for the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	3 reports completed on the performance assessment on the service provider for the lease of office equipment	12 reports completed on the performance assessment on the service provider for the lease of office equipment	

2015 /2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) - PROTECTION SERVICES

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
DPS 1	IDP 1.5.1 OPMS 10	To Administer Council, EXCO, Portfolio and staff meetings	Hold staff meetings	Number of staff meetings held	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 12 Middle Management Meetings to be held * 4 Staff meetings	R 715 740
DPS 2			Attend meetings of council	Number of meetings attended	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 6 Council, 11 Exco & 11 Finance Committee meetings	
DPS 3			Provide reports for Protection Services Portfolio Agenda	Number of reports provided	1 report to be provided for meeting	2 reports to be provided for meetings	1 report to be provided for meeting	2 reports to be provided for meetings	6 reports to be provided for 2015/2016 FY.	
DPS 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager	3 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	2 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	11 reports to be submitted to MM on actioning of resolutions	
DPS 5	IDP 1.2.1 OPMS 4	Undertake training for staff as per skills development plan by 30 June 2016	To identify training needs within the Engineering department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	0	meeting to be held with staff to identify training needs	Training needs of department to be submitted to HR by 31 March 2016	0	Training needs of department to be submitted to HR by 31 March 2016	R 348 480
KPA 2: BASIC SERVICE DELIVERY										
DPS 6	IDP 2.10.1 OPMS 38	Ensure the functionality of Disaster Management in the Municipality	Ensure the facilitation of the functioning of rural satellite fire stations (Mbongolwane and KwaBulawayo)	Number of reports submitted to the Portfolio Committee on the functionality of rural satelite fire stations	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee	R 60 260
DPS 7			Ensure the establishment of a Municipality Disaster Management Forum	Number of Disaster Mangement Forum meetings	3 meetings to be held	3 meetings to be held	3 meetings to be held	3 meetings to be held	12 meetings to be held	R 60 260

2015 /2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) - PROTECTION SERVICES

No	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DPS 8	IDP 2.14.1 OPMS 43	To implement crime prevention strategies in partnership with the relevant stakeholders	Prepare a combined crime prevention plan in partnership with all relevant stakeholders by 30 March 2015	Date of approval of Crime Prevention plan by Portfolio Committee	0	0	Crime Prevention Plan to be approved by Portfolio Committee by 30 March 2016	0	Crime Prevention Plan to be approved by Portfolio Committee by 30 March 2016	R 60 260
DPS 9			Attend community policing forums	No of CPF Meetings attended	1 CPF meeting to be attended	2 CPF meetings to be attended	1 CPF meeting to be attended	2 CPF meetings to be attended	6 CPF meetings to be attended	
KPA 4 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
DPS 10	IDP 4.3.1 OPMS 55	Ensure at least 90% of total municipal operating budget spent	Ensure functionality of animal pound facility and budget spent by 30 June 2016	Date of budget spent - Animal pound facility and number of reports to Portfolio Committee on functionality	* 1 progress report to be submitted to Portfolio Committee on Municipal Pound	* 1 progress report to be submitted to Portfolio Committee on Municipal Pound	* 1 progress report to be submitted to Portfolio Committee on Municipal Pound	* 1 progress report to be submitted to Portfolio Committee on Municipal Pound	* 4 progress reports to be submitted to Portfolio Committee on Municipal Pound * Budget to be spent by 30 June 2016	R 597 840
DPS 11			Ensure rural fire prevention and budget spent by 30 June 2016	Date of budget spent - Rural fire prevention and number of reports to Portfolio Committee on rural fire prevention	* 1 progress report to be submitted to Portfolio Committee on Rural Fire Prevention	* 1 progress report to be submitted to Portfolio Committee on Rural Fire Prevention	* 1 progress report to be submitted to Portfolio Committee on Rural Fire Prevention	* 1 progress report to be submitted to Portfolio Committee on Rural Fire Prevention	* 4 progress reports to be submitted to Portfolio Committee on Rural Fire Prevention * Budget to be spent by 30 June 2016	R 350 000
DPS 12			Ensure assistance provided during diasaters and budget expenditure by 30 June 2016	date budget spent on Disaster assistance & number of reports to Portfolio Committee	1 report to be submitted to Portfolio Committee on Disaster assistance provided	1 report to be submitted to Portfolio Committee on Disaster assistance provided	1 report to be submitted to Portfolio Committee on Disaster assistance provided	1 report to be submitted to Portfolio Committee on Disaster assistance provided	4 reports to be submitted to Portfolio Committee on Disaster assistance provided * Budget to be spent by 30 June 2016	R 700 000
DPS 13	IDP 4.3.2 OPMS 56	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure the purchase of furniture & equipment (traffic) and budget spent by 31 December 2015	Ensure the purchase of furniture & equipment (traffic) and budget spent by 31 December 2015	Commence with SCM processes	Budget to be spent by 31 December 2015	0	0	Budget to be spent by 31 December 2015	R 30 000
DPS 14			Ensure the purchase of Machinery & Equipment (traffic) and budget spent by 31 March 2016	Date of budget spent on machinery and equipment	0	Commence with SCM processes	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 660 000

2015 /2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) - PROTECTION SERVICES

No	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DPS 15			Ensure the purchase of furniture & equipment (fire fighting) and budget spent by 31 December 2015	Date of budget spent on furniture & equipment (fire fighting)	Commence with SCM processes	Budget to be spent by 31 December 2015	0	0	Budget to be spent by 31 December 2015	R 30 000
DPS 16			Ensure the purchase of Machinery & Equipment (fire fighting) and budget spent by 31 March 2016	Date of budget spent on Machinery & Equipment (fire fighting)	0	Commence with SCM processes	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 200 000
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
DPS 17	IDP 1.6.1 OPMS 12	Development of SMART Organisational Performance Management Systems	Monitor the performance of all Engineering Services staff monthly and ensure that monthly consolidated performance report is submitted to MM	Number of Consolidated Protcetion Services staff Performance report submitted to MM	3 Consolidated Protection Services staff Performance report to be submitted to MM	3 Consolidated Protection Services staff Performance report to be submitted to MM	3 Consolidated Protection Services staff Performance report to be submitted to MM	3 Consolidated Protection Services staff Performance report to be submitted to MM	12 Consolidated Protection Services staff Performance report to be submitted to MM	R 55 340
DPS 18			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessments reports completed on the assessment for the service providers providing security services	3 reports per service provider to be completed on the performance assessment on the service providers for security services	3 reports per service provider to be completed on the performance assessment on the service providers for security services	3 reports per service provider to be completed on the performance assessment on the service providers for security services	3 reports per service provider to be completed on the performance assessment on the service providers for security services	12 reports per service provider to be completed on the performance assessment on the service providers for security services	R 7 348 470
DPS 19				Number of performance assessments reports completed on the assessment for TMT	3 reports to be completed on the performance assessment for TMT	3 reports to be completed on the performance assessment for TMT	3 reports to be completed on the performance assessment for TMT	3 reports to be completed on the performance assessment for TMT	12 reports to be completed on the performance assessment for TMT	R 2 268 000
Dps 20				Number of performance assessments reports completed on the assessment for the service provider for the Animal Pound facility	3 reports completed on the performance assessment on the service provider for the animal pound facility	3 reports completed on the performance assessment on the service provider for the animal pound facility	3 reports completed on the performance assessment on the service provider for the animal pound facility	3 reports completed on the performance assessment on the service provider for the animal pound facility	12 reports completed on the performance assessment on the service provider for the animal pound facility	R 597 840
DPS 21				Number of performance assessments reports completed on the assessment for the service provider for the Radio Repeater	3 reports completed on the performance assessment on the service provider for the Radio Repeater	3 reports completed on the performance assessment on the service provider for the Radio Repeater	3 reports completed on the performance assessment on the service provider for the Radio Repeater	3 reports completed on the performance assessment on the service provider for the Radio Repeater	12 reports completed on the performance assessment on the service provider for the Radio Repeater	R 8 130

2015 /2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AND PERFORMANCE PLAN - CHIEF FINANCIAL OFFICER

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
CFO 1		To Administer Council, EXCO, Portfolio and staff meetings	Hold staff meetings	Number of staff meetings held	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 3 Middle Management Meetings to be held * 1 Staff meetings	* 12 Middle Management Meetings to be held * 4 Staff meetings	R 715 740
CFO 2			Attend meetings of council	Number of meetings attended	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 1 Council, 3 Exco & 3 Finance Committee meetings	* Attend 6 Council, 11 Exco & 11 Finance Committee meetings	
CFO 3			Provide reports for Finance Portfolio Agenda	Number of reports provided	3 reports to be provided for meetings in July, August & Sept 2015.	3 reports to be provided for meetings in Oct, Nov & Dec 2015.	2 reports to be provided for meetings in February & March 2016.	3 reports to be provided for meetings in April, May & June 2016.	11 reports to be provided for 2015/2016 FY.	
CFO 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager	3 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	2 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	11 reports to be submitted to MM on actioning of resolutions	
CFO 5		Submit quarterly reports to ICT Steering Committee on improvements made to the financial ICT systems	Ensure that quarterly reports are submitted to ICT Steering Committee on improvements made to the financial ICT systems	Number of reports submitted to ICT Steering Committee	1 report to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	1 report to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	1 report to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	1 report to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	4 reports to be submitted to ICT Steering Committee on improvements made to the financial ICT systems	R 57 180

2015 /2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AND PERFORMANCE PLAN - CHIEF FINANCIAL OFFICER

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
CFO 6		Undertake training for staff as per skills development plan by 30 June 2016	To identify training needs within the Finance department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	0	meeting to be held with staff to identify training needs	Training needs of department to be submitted to HR by 31 March 2016	0	Training needs of department to be submitted to HR by 31 March 2016	R 348 480
CFO 7			Provide 2 in-house training/skills development to officials involved in procurement processes	No of trainings completed	0	1 Training/skills development provided to officials involved in procurement processes by 31 December 2015.	0	1 Training/skills development provided to officials involved in procurement processes by 30 June 2016.	2 Training/skills development provided to officials involved in procurement processes by 30 June 2016.	
KPA 4 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
CFO 8		Enhance revenue collection	ensure 90% revenue collection	% of revenue collection	90% revenue collection	90% revenue collection	90% revenue collection	90% revenue collection	90% revenue collection	R 157 010
CFO 9			Ensure monthly reports are received from Attorneys on debt collection and submit to the Portfolio Committee for oversight	Number of reports submitted to the Portfolio Committee from Attorney on debt collection	3 reports to be submitted to the Portfolio Committee on debt collection	3 reports to be submitted to the Portfolio Committee on debt collection	3 reports to be submitted to the Portfolio Committee on debt collection	3 reports to be submitted to the Portfolio Committee on debt collection	12 reports to be submitted to the Portfolio Committee on debt collection	R 157 010
CFO 10		Maintain acceptable norm of municipal liquidity management	Ensure acceptable norm of municipal liquidity management is maintained at 3.00	Ratio of cash / cost coverage of monthly fixed operating commitments	Maintain exceptable norm 3.00	Maintain exceptable norm 3.00	Maintain exceptable norm 3.00	Maintain exceptable norm 3.00	Maintain exceptable norm 3.00	R 157 010
CFO 11		Minimise service delivery distribution losses	Ensure Service Delivery distribution losses for electricity is within the norm (between 5% - 12%)	Percentage loss of potential revenue of services delivered	Service Delivery losses for electricity to be between 5% - 12%	Service Delivery losses for electricity to be between 5% - 12%	Service Delivery losses for electricity to be between 5% - 12%	Service Delivery losses for electricity to be between 5% - 12%	Service Delivery losses for electricity to be between 5% -12%	R 78 500
CFO 12		Review SCM, Investment & Budget Policies	Ensure SCM Policy is reviewed by 30 June 2015	Date of approval of Review of Policies by Council	0	0	0	SCM Policy to be Reviewed by 30 June 2016	SCM Policy to be Reviewed by 30 June 2016	R 78 500
CFO 13		To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure budget on rates rebate is spent by 30 June 2016 and submit reports to Portfolio Committee	Date of budget spent on rates rebates and number of reports to Portfolio Committee	1 report to be submitted to Portfolio Committee on Rates rebates provided	1 report to be submitted to Portfolio Committee on Rates rebates provided	1 report to be submitted to Portfolio Committee on Rates rebates provided	1 report to be submitted to Portfolio Committee on Rates rebates provided	* 4 reports to be submitted to Portfolio Committee on Rates rebates provided . * budget on rates rebate to be spent by 30 June 2015.	R 11 706 430
CFO 14			Ensure FMG is spent by 30 June 2016 and submit reports to Portfolio Committee	Percentage of budget spent - FMG Grant	20% of budget to be spent	50% of budget to be spent	80% of budget to be spent	90% of budget to be spent	90% of budget to be spent	R 1 600 000

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
CFO 15		To ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure the purchase of IT Equipment and budget spent by 31 May 2016	Date of budget spent on purchase of IT Equipment for all departments			Commence with SCM Processes for procurement of IT Equipment	* Budget to be spent by 31 May 2016	* Budget to be spent by 31 May 2016	R 2 055 000
CFO 16			Ensure the purchase of furniture and budget spent by 31 March 2016	Date of budget spent on the purchase of furniture for finance department		Commence with SCM Processes for procurement of IT Equipment	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 101 010
CFO 17			Ensure budget expenditure on store for rdundant assets by 30 April 2016	Date of budget expenditure on store for redundant assets	0	0	* Commence with SCM Processes of store for redundant assets	Budget to be spent by 30 April 2016	Budget to be spent by 30 April 2016	R 500 000
			GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
CFO 18		To ensure that the Municipality receives / maintains a Clean Audit in 2015/2016 and submit a report to EXCO on the measures taken to ensure that matters raised in the 2014/15 Audit have been resolved	Submit 4 Reports to EXCO on Verifications to be done on Suppliers on the database to ensure that they are not in the Service of the State	Number of reports submitted to EXCO on verifications done	1 Report to be submitted to EXCO on Verifications done on Suppliers on the database to ensure that they are not in the Service of the State	1 Report to be submitted to EXCO on Verifications done on Suppliers on the database to ensure that they are not in the Service of the State	1 Report to be submitted to EXCO on Verifications done on Suppliers on the database to ensure that they are not in the Service of the State	1 Report to be submitted to EXCO on Verifications done on Suppliers on the database to ensure that they are not in the Service of the State	4 Reports to be submitted to EXCO on Verifications done on Suppliers on the database to ensure that they are not in the Service of the State	R 16 160
CFO 19			1 half yearly Interim Financial Statement to be prepared to ensure material misstatements of liabilities and revenue.	No. of Interim FS prepared	0	0	1 Interim Financial statement to be prepared by 31 March 2016.	0	1 half yearly Interim Financial statement to be prepared by 31 March 2016	R 39 250
CFO 20			Payment to Creditors to be made within 30 days in terms of Section 65 OF MFMA	100% (excluding exceptions) payment to creditors to be made within 30 days	100% (excluding exceptions) payment to creditors to be made within 30 days and submit 3 reports to Portfolio Committee	100%(excluding exceptions) payment to creditors to be made within 30 days and submit 3 reports to Portfolio Committee	100% (excluding exceptions) payment to creditors to be made within 30 days and submit 2 reports to Portfolio Committee	100% (excluding exceptions) payment to creditors to be made within 30 days and submit 3 reports to Portfolio Committee	100% (excluding exceptions) payment to creditors to be made within 30 days and submit 11 reports to Portfolio Committee	R 39 250
CFO 21			Ensure compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	No. of reports submitted to Portfolio Committee on tender awarded	1 report to be forwarded to Portfolio Committee by 30 Sept 2015.	1 report to be forwarded to Portfolio Committee by 31 Dec 2015	1 report to be forwarded to Portfolio Committee by 31 March 2016	1 report to be forwarded to Portfolio Committee by 30 June 2016	4 reports to be submitted to Portfolio Committee on compliance in terms of financial reporting and with applicable laws and regulations relating to the granting of awards and related internal controls	R 39 250

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
CFO 22		Development of SMART Organisational Performance Management Systems	Monitor the performance of all Finance staff monthly and ensure that monthly consolidated performance report is submitted to MM	Number of Consolidated Finance staff Performance report submitted to MM	3 Consolidated Finance staff Performance report to be submitted to MM	3 Consolidated Finance staff Performance report to be submitted to MM	3 Consolidated Finance staff Performance report to be submitted to MM	3 Consolidated Finance staff Performance report to be submitted to MM	12 Consolidated Finance staff Performance report to be submitted to MM	
CFO 23			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessments reports completed on the assessment for the computer mantenance service provider	3 reports completed on the performance assessment of the computer mantenance service provider	3 reports completed on the performance assessment of the computer mantenance service provider	3 reports completed on the performance assessment of the computer mantenance service provider	3 reports completed on the performance assessment of the computer mantenance service provider	12 reports completed on the performance assessment of the computer mantenance service provider	R 737 390
CFO 24				Number of performance assessments reports completed on the assessment for the service provider for the mailing of monthly statements	3 reports completed on the performance assessment on the service provider for the mailing of monthly statements	3 reports completed on the performance assessment of the computer mantenance on the service provider for the mailing of monthly statements	3 reports completed on the performance assessment of the computer mantenance on the service provider for the mailing of monthly statements	3 reports completed on the performance assessment of the computer mantenance on the service provider for the mailing of monthly statements	12 reports completed on the performance assessment of the computer mantenance on the service provider for the mailing of monthly statements	R 250 640
CFO 25				Number of performance assessments reports completed on the assessment for the service provider for asset management	3 reports completed on the performance assessment on the service provider for for asset management	3 reports completed on the performance assessment of the computer mantenance on the service provider for for asset management	3 reports completed on the performance assessment of the computer mantenance on the service provider for for asset management	3 reports completed on the performance assessment of the computer mantenance on the service provider for for asset management	12 reports completed on the performance assessment of the computer mantenance on the service provider for for asset management	R 503 610
CFO 26				Number of performance assessments reports completed on the assessment for the service provider for fleet management	3 reports completed on the performance assessment on the service provider for for fleet management	3 reports completed on the performance assessment on the service provider for for fleet management	3 reports completed on the performance assessment on the service provider for for fleet management	3 reports completed on the performance assessment on the service provider for for fleet management	12 reports completed on the performance assessment on the service provider for for fleet management	R 200 000

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
CFO 27				Number of performance assessments reports completed on the assessment for the service provider for Bank collections security	3 reports completed on the performance assessment on the service provider for Bank collections security	3 reports completed on the performance assessment on the service provider for Bank collections security	3 reports completed on the performance assessment on the service provider for Bank collections security	3 reports completed on the performance assessment on the service provider for Bank collections security	12 reports completed on the performance assessment on the service provider for Bank collections security	R 217 280
CFO 28				Number of performance assessments reports completed on the assessment for the service provider for valuation expenses	3 reports completed on the performance assessment on the service provider for valuation expenses	3 reports completed on the performance assessment on the service provider for valuation expenses	3 reports completed on the performance assessment on the service provider for valuation expenses	3 reports completed on the performance assessment on the service provider for valuation expenses	12 reports completed on the performance assessment on the service provider for valuation expenses	R 122 810
CFO 29				Number of performance assessments reports completed on the assessment for the service provider for computer maintenance	3 reports completed on the performance assessment on the service provider for computer maintenance	3 reports completed on the performance assessment on the service provider for computer maintenance	3 reports completed on the performance assessment on the service provider for for fleet management	3 reports completed on the performance assessment on the service provider for computer maintenance	12 reports completed on the performance assessment on the service provider for computer maintenance	R 121 930
CFO 30				Number of performance assessments reports completed on the assessment for the service provider for insurance	3 reports completed on the performance assessment on the service provider for insurance	3 reports completed on the performance assessment on the service provider for insurance	3 reports completed on the performance assessment on the service provider for insurance	3 reports completed on the performance assessment on the service provider for insurance	12 reports completed on the performance assessment on the service provider for insurance	R 155 560
CFO 31				Number of performance assessments reports completed on the assessment for the service provider for computer maintenance	3 reports completed on the performance assessment on the service provider for computer maintenance	3 reports completed on the performance assessment on the service provider for computer maintenance	3 reports completed on the performance assessment on the service provider for for fleet management	3 reports completed on the performance assessment on the service provider for computer maintenance	12 reports completed on the performance assessment on the service provider for computer maintenance	

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR COMMUNITY SERVICES										
No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
DCOM 1	IDP 1.5.1 OPMS 10	To Administer Council, EXCO, Portfolio and staff meetings	Hold staff meetings	Number of staff meetings held	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 12 Middle Management Meetings to be held * 4 Staff meetings	R 715 740
DCOM 2			Attend meetings of council	Number of meetings attended	* Attend 1 Council, 3 Exco & 1 Community Services Committee meetings	* Attend 1 Council, 3 Exco & 2 Community Services Committee meetings	* Attend 2 Council, 3 Exco & 1 Community Services Committee meetings	* Attend 2 Council, 3 Exco & 2 Community Services Committee meetings	* Attend 6 Council, 3 Exco & 6 Community Services Committee meetings	
DCOM 3			Provide reports for Community Services Portfolio Agenda	Number of reports provided	2 reports to be provided for meetings	1 report to be provided for meeting	2 reports to be provided for meetings	1 reports to be provided for meeting	6 reports to be provided for 2015/2016 FY.	
DCOM 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager	3 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	2 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	11 reports to be submitted to MM on actioning of resolutions	
DCOM 5	IDP 1.2.1 OPMS 4	Undertake training for staff as per skills development plan by 30 June 2016	To identify training needs within the Community Services & submit to HR for inclusion in WSP	Date of submission of training needs to HR	0	meeting to be held with staff to identify training needs	Training needs of department to be submitted to HR by 31 March 2016	0	Training needs of department to be submitted to HR by 31 March 2016	R 348 480
KPA 2: BASIC SERVICE DELIVERY										
DCOM 6	IDP 2.1.2 OPMS 22	To Provide Bsic Services to all households and address Service Delivery Backlogs	Provide free basic services to all indigent households with available resources	Number of households with access to free basic refuse services	10 710 households provided with free refuse services	10 710 households provided with free refuse services	10 710 households provided with free refuse services	10 710 households provided with free refuse services	10 710 households provided with free refuse services	

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR COMMUNITY SERVICES										
No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCOM 7	IDP 2.4.1 OPMS 29	Ensure the effectiveness of waste management services in all areas	Conduct training and awareness programmes on waste recycling facilities at appropriate locations and report to Portfolio Committee	Number of trainings conducted on Waste Management Services and reports submitted to Portfolio Committee	1 Report to Portfolio Committee	1 training to be conducted and Report to Portfolio Committee	1 training to be conducted and Report to Portfolio Committee	1 training to be conducted and Report to Portfolio Committee	3 trainings to be conducted and 4 reports to Portfolio Committee	R 2 902 100
DCOM 8			Decrease tonnage of waste in Landfill site by 5% per quarter in order to ensure the effectiveness of recycling	% decrease in tonnage	5% decrease of tonnage of waste in landfill site	5% decrease of tonnage of waste in landfill site	5% decrease of tonnage of waste in landfill site	5% decrease of tonnage of waste in landfill site	5% decrease of tonnage of waste in landfill site	
DCOM 9	IDP 2.15.1 OPMS 30	Ensure an healthy environment for childhood development	Undertake visits to Creches to ensure an healthy environment for childhood development	No of Creches visited to ensure a healthy environment for Childhood development	3 early childhood development facilities to be visited and submit report to Portfolio Committee	3 early childhood development facilities to be visited and submit report to Portfolio Committee	3 early childhood development facilities to be visited and submit report to Portfolio Committee	3 early childhood development facilities to be visited and submit report to Portfolio Committee	12 early childhood development facilities to be visited and submit 4 reports to Portfolio Committee	R 30 550
DCOM 10	IDP 2.6.1 OPMS 34	facilitate the transfer all rural community facilities to the Municipality	Ensure the transfer of at least 10 rural community facilities to the Municipality report to the Portfolio Committee	Number of community facilities transferred to the municipality by 30 June 2015 and number of reports submitted to the Portfolio Committee	1 report tob be submitted to the Portfolio Committee	1 report tob be submitted to the Portfolio Committee	1 report tob be submitted to the Portfolio Committee	* 1 report tob be submitted to the Portfolio Committee * 10 rural community facilities to be tranferred to the municipality by 30 June 2016	* 1 report to be submitted to the Portfolio Committee * 10 rural community facilities to be tranferred to the municipality by 30 June 2016	R 30 550
DCOM 11	IDP 2.12.1 OPMS 41	Submit reports to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Submit reports to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Number of reports submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee	R 30 550

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR COMMUNITY SERVICES										
No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
KPA 3 : LOCAL ECONOMIC DEVELOPMENT										
DCOM 12	IDP 3.2.1 OPMS 47	To create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	Ensure Job creation through Sizabonke programme	Number of jobs created	85 jobs to be created through Sizabonke programmes	85 jobs to be maintained through Sizabonke programmes	85 jobs to be maintained through Sizabonke programmes	85 jobs to be maintained through Sizabonke programmes	85 jobs to be created through Sizabonke programmes	R 4 102 100
DCOM 13			Ensure Job creation through War against Poverty programme	No of jobs created through War against Poverty	* 100 Jobs to be created	* 100 Jobs to be maintained	* 100 Jobs to be maintained	* 100 Jobs to be maintained	* 100 Jobs to be created	
DCOM 14			Ensure Job creation through Food for Waste programme	No of jobs created through Food for waste	* 100 Jobs to be created	* 100 Jobs to be maintained	* 100 Jobs to be maintained	* 100 Jobs to be maintained	* 100 Jobs to be created	
DCOM 15			Ensure Job creation through Weed Eradication programme	No of jobs created through Weed eradication	* 50 Jobs to be created	* 50 Jobs to be maintained	* 50 Jobs to be maintained	* 50 Jobs to be maintained	* 50 Jobs to be created	
DCOM 16			Ensure Job creation through CWP programme	No. Of jobs created through CWP	1000 jobs to be created	1000 jobs to be created	1000 jobs to be created	1000 jobs to be created	1000 jobs to be created	

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
KPA 4 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
DCOM 17	IDP 4.3.2 OPMS 56	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure the purchase of furniture & Equipment and budget spent by 28 February 2016	Date of budget expenditure on purchase of furniture and equipment	0	Commence with SCM processes by 31 December 2016	90% of budget on purchase of furniture & Equipment to be spent by 28 February 2016	0	Budget on purchase of furniture & Equipment to be spent by 28 February 2016	R 60 000
DCOM 18			Ensure Upgrade of offices and budget spent by 31 December 2015	Date of Budget expenditure on upgrade of offices	Commence with SCM processes	Budget on upgrade of offices to be spent by 31 December 2015	0	0	Budget on upgrade of offices by 31 December 2015	R 200 000
DCOM 19			Ensure Playpark Equipment is purchased and budget spent by 30 April 2016	Date of budget expenditure on purchase of playpark equipment	0	0	Commence with SCM processes	* Budget for Play Park Equipment to be spent by 30 April 2016.	* Budget for Play Park Equipment to be spent by 30 April 2016.	R 550 000
DCOM 20			Ensure goal posts are purchased and budget spent by 30 November 2015	Date of budget expenditure on purchase of goal posts	Commence with SCM processes	Budget on upgrade of offices to be spent by 30 November 2015	0	0	Budget on upgrade of offices to be spent by 30 November 2015	R 200 000
DCOM 21			Ensure kick abouts are purchased and budget spent by 31 March 2016	Date of budget expenditure on purchase of kick abouts		Commence with SCM processes	Budget on purchase of kick abouts to be spent by 31 March 2016	0	Budget on purchase of kick abouts to be spent by 31 March 2016	R 200 000

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR COMMUNITY SERVICES										
No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCOM 22			Ensure machinery & Equipment are purchased and budget spent by 31 December 2015	Date of budget expenditure on purchase of machinery & Equipment	Commence with SCM processes	Budget on machinery & Equipment to be spent by 31 December 2015	0	0	Budget on machinery & Equipment to be spent by 31 December 2015	R 300 000
DCOM 23			Ensure purchase of refuse skips, mass containers & refuse bins and budget to be spent by 31 March 2016	Date of budget expenditure on refuse skips, mass containers & refuse bins	0	Commence with SCM processes	Budget on purchase of refuse skips, mass containers & refuse bins to be spent by 31 March 2016	0	Budget on urchase of refuse skips, mass containers & refuse bins to be spent by 31 March 2016	R 650 000
DCOM 24			Ensure the construction of cemetery palisade fencing and budget to be spent by 30 November 2015	Date of budget expenditure on the construction of cemetery palisade fencing	Commence with SCM processes	Budget on pconstruction of cemetery palisade fencing s to be spent by 30 November 2015	0	0	Budget on construction of cemetery palisade fencing s to be spent by 30 November 2015	R 300 000
DCOM 25			Ensure the construction of cemetery pathways and budget to be spent by 31 March 2016	Date of budget expenditure on the construction of cemetery pathways	Commence with SCM processes	Budget on pconstruction of cemetery pathways to be spent by 31 March 2016	0	0	Budget on construction of cemetery pathways to be spent by 31 March 2016	R 100 000
DCOM 26			Ensure the development of sports and budget to be spent by 30 June 2016	date of budget spent on sports development	* Expenditure Plan to be submitted to Portfolio Committee * 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committe	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	R 1 300 000

2015/2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE PLAN - DIRECTOR COMMUNITY SERVICES										
No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DCOM 27	IDP 4.3.1 OPMS 55	Ensure that at least 90% of the operating budget amount is spent in the municipality by 30 June 2016	Ensure cultural development and budget to be spent by 30 June 2016	Date of budget spent on cultural development	* Expenditure Plan to be submitted to Portfolio Committee * 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committe	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	R 550 000
DCOM 28			Ensure Youth development and budget to be spent by 30 June 2016	Date of budget spent on youth development	* Expenditure Plan to be submitted to Portfolio Committee * 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committe	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	R 840 000
DCOM 29			Implement Special Programmes for Physically challenged, Sports, Youth, Gender issues, Senior Citizens and ensure budget spent by 30 June 2015	Date of budget spent on the Implementation of Special programmes	* Expenditure Plan to be submitted to Portfolio Committee * 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committee	* 1 report to be submitted to the Portfolio Committe	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to Portfolio Committee * Budget to be spent by 30 June 2016	R 650 000
DCOM 30			Ensure the implementation of the Grass Cutting Contract in Mtunzini and budget to be spent by 30 June 2015 and report to Portfolio Committee	Date of budget spent on Grass cutting in Mtunzini and Number of Reports submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to Portfolio Committee * Budget to be spent by 30 June 2016	787 650
DCOM 31			Ensure the implementation of the Grass Cutting Contract in Eshowe and budget to be spent by 30 June 2015 and report to Portfolio Committee	Date of budget spent on Grass cutting in Eshowe and Number of Reports submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to Portfolio Committee * Budget to be spent by 30 June 2016	312 560
DCOM 32			Ensure the implementation of the Grass Cutting Contract in Ging and budget to be spent by 30 June 2015 and report to Portfolio Committee	Date of budget spent on Grass cutting in Ging and Number of Reports submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to Portfolio Committee	* 1 report to be submitted to the Portfolio Committe * Budget to be spent by 30 June 2016	* 4 reports to be submitted to Portfolio Committee * Budget to be spent by 30 June 2016	370 210

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
DCOM 33	IDP 1.6.1 OPMS 12	Development of SMART Organisational Performance Management Systems	Monitor the performance of all Community Services staff monthly and ensure that monthly consolidated performance report is submitted to MM	Number of Consolidated Community Services staff Performance report submitted to MM	3 Consolidated Community Services staff Performance report to be submitted to MM	3 Consolidated Community Services staff Performance report to be submitted to MM	3 Consolidated Community Services staff Performance report to be submitted to MM	3 Consolidated Community Services staff Performance report to be submitted to MM	12 Consolidated Community Services staff Performance report to be submitted to MM	R 55 340
DCOM 34			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessments reports completed on the assessment for the service provider for the security of the Sports field	3 reports completed on the performance assessment on the service provider for the security of the Sports field	3 reports completed on the performance assessment on the service provider for the security of the Sports field	3 reports completed on the performance assessment on the service provider for the security of the Sports field	3 reports completed on the performance assessment on the service provider for the security of the Sports field	12 reports completed on the performance assessment on the service provider for the security of the Sports field	R 339 780
DCOM 35				Number of performance assessments reports completed on the assessment for grass cutting in Mtunzini, Ging & Eshowe	3 reports completed on the performance assessment on the service provider for grass cutting in Mtunzini, Ging & Eshowe	3 reports completed on the performance assessment on the service provider for grass cutting in Mtunzini, Ging & Eshowe	12 reports completed on the performance assessment on the service provider for grass cutting in Mtunzini, Ging & Eshowe	3 reports completed on the performance assessment on the service provider for grass cutting in Mtunzini, Ging & Eshowe	3 reports completed on the performance assessment on the service provider for grass cutting in Mtunzini, Ging & Eshowe	R 1 616 760
DCOM 36				Number of performance assessments reports completed on the assessment for environmental studies for cemeteries	3 reports completed on the performance assessment on the service provider for environmental studies for cemeteries	3 reports completed on the performance assessment on the service provider for environmental studies for cemeteries	3 reports completed on the performance assessment on the service provider for environmental studies for cemeteries	3 reports completed on the performance assessment on the service provider for environmental studies for cemeteries	12 reports completed on the performance assessment on the service provider for environmental studies for cemeteries	R 300 000

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No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
DES 1	IDP 1.5.1 OPMS 10	To Administer Council, EXCO, Portfolio and staff meetings	Hold staff meetings	Number of staff meetings held	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 3 Middle Management Meetings to be held * 1 Staff meeting	* 12 Middle Management Meetings to be held * 4 Staff meeting	R 715 740
DES 2			Attend meetings of council	Number of meetings attended	* Attend 1 Council, 3 Exco & 1 Engineering Committee meetings	* Attend 1 Council, 3 Exco & 2 Engineering Committee meetings	* Attend 1 Council, 3 Exco & 1 Engineering Committee meeting	* Attend 1 Council, 3 Exco & 2 Engineering Committee meetings	* Attend 6 Council, 11 Exco & 6 Engineering Committee meetings	
DES 3			Provide reports for Engineering Portfolio Agenda	Number of reports provided	1 report to be provided for meeting in July - Sept 2015.	2 reports to be provided for meetings in Oct - Dec 2015.	1 report to be provided for meeting in February - March 2016.	2 reports to be provided for meetings in April - June 2015.	6 reports to be provided for 2015/2016 FY.	
DES 4			Action resolutions of Portfolio Committee & EXCO meetings	Number of reports forwarded to Municipal Manager	0	0	2 reports to be submitted to MM on actioning of resolutions	3 reports to be submitted to MM on actioning of resolutions	5 reports to be submitted to MM on actioning of resolutions	
DES 5	IDP 1.3.1 OPMS 7	Conduct needs assessment for use of Service Providers and monitoring of Service Providers in terms of SLA	Ensure needs assessment is Conducted for use of Service Providers by 31 March 2016	Date of approval by EXCO	0	0	Needs assessment to be approved by 31 March 2016	0	Needs assessment to be approved by 31 March 2016	R 19 280
DES 6	IDP 1.2.1 OPMS 4	Undertake training for staff as per skills development plan by 30 June 2016	To identify training needs within the Engineering department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	0	meeting to be held with staff to identify training needs	Training needs of department to be submitted to HR by 31 March 2016	0	Training needs of department to be submitted to HR by 31 March 2016	R 348 480

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No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
KPA 2: BASIC SERVICE DELIVERY										
DES 7	IDP 2.2.1 OPMS 25	Facilitate with uThungulu to ensure alignment of water provisioning to relevant Municipal Capital Projects	Attend alignment meetings with Uthungulu District Municiaplity to ensure alignment	Number of alignment meetings attended and reported to EXCO	1 meeting to be attended in Quarter 1 and report to be submitted to EXCO	1 meeting to be attended in Quarter 2 and report to be submitted to EXCO	1 meeting to be attended in Quarter 3 and report to be submitted to EXCO	1 meeting to be attended in Quarter 4 and report to be submitted to EXCO	4 meetings to be attended and 4 reports to be submitted to EXCO	R 19 280
DES 8	IDP 2.3.2 OPMS 27	Attend meetings with Eskom to ensure alignment of energy provisioning to Municipal Capital Projects	Ensure attendance at Eskom alignment meeting and report to Portfolio Committee	No of meetings alignment meetings attended with Eskom	1 meeting to be attended in Quarter 1 and report to be submitted to EXCO	1 meeting to be attended in Quarter 2 and report to be submitted to EXCO	1 meeting to be attended in Quarter 3 and report to be submitted to EXCO	1 meeting to be attended in Quarter 4 and report to be submitted to EXCO	4 meetings to be attended and 4 reports to be submitted to EXCO	R 20 510
DES 9		Construct 15km of road / causeways as per MIG budget by 30 June 2016	Ensure the upgrade of ____km of Kangela Road Eshowe (MIG) and budget spent by 30 June 2016	Km of road completed and date of expenditure	* _____ km of road to be completed	* _____ km of road to be completed	* _____ km of road to be completed	* _____ km of road to be completed * budget to be spent by 30 June 2016	* _____ km of road to be completed * budget to be spent by 30 June 2016	R 3 760 230
DES 10			Ensure the Rehabilitation of ____km of KDS Bus Route and budget spent by 31 March 2016	Km of road completed and date of expenditure	* _____ km of road to be completed	* _____ km of road to be completed	* _____ km of road to be completed * budget to be spent by 31 March 2016	0	* _____ km of road to be completed * budget to be spent by 31 March 2016	R 11 726 700
DES 11			Ensure the Rehabilitation of ____km of Osborne Road (MIG) and budget spent by 30 November 2015	Km of road completed and date of expenditure	* _____ km of road to be completed	* _____ km of road to be completed * budget to be spent by 30 November 2015	0	0	* _____ km of road to be completed * budget to be spent by 30 November 2015	R 5 793 910

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No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DES 12			Ensure the Construction of ____km of Mtipela Road (MIG) and budget spent by 31 March 2016	Km of road completed and date of expenditure	* _____ km of road to be completed	* _____ km of road to be completed	* _____ km of road to be completed * budget to be spent by 31 March 2016	0	* _____ km of road to be completed * budget to be spent by 31 March 2016	R 3 000 000
DES 13			Ensure the Construction of ____km of Bele Road (MIG) and budget spent by 31 March 2015	Km of road completed and date of expenditure	* _____ km of road to be completed	* _____ km of road to be completed	* _____ km of road to be completed * budget to be spent by 31 March 2016	0	* _____ km of road to be completed * budget to be spent by 31 March 2016	R 4 047 290
DES 14	IDP 2.5.2 OPMS 32	To rehabilitate of 2km of Urban Roads	Ensure the Rehabilitation of 2km of Urban Roads by 31 May 2016	Km of road completed and date of expenditure	0	0	* _____ km of road to be completed	* _____ km of road to be completed * budget to be spent by 31 May 2016	* _____ km of road to be completed * budget to be spent by 31 May 2016	R 5 400 000
DES 15		To Review Pavement Management System	Ensure the Review of the Pavement Management System	Date of approval of Pavement Management System by EXCO	0	Pavement Management System to be approved by 31 December 2015	0	0	Pavement Management System to be approved by 31 December 2015	R 450 000
DES 16	IDP 2.5.3 OPMS 33	Implement rural roads programme with hired graders Ensure 2000km of road graded	Ensure 2000km of rural road is graded and budget spent by 30 June 2016	Km of roads graded and budget spent by 30 June 2016	* 500km of road to be graded	* 500km of road to be graded	* 500km of road to be graded	* 500km of road to be graded	* 2000km of road to be graded * budget spent by 30 June 2016	R 9 504 230
KPA 3 : LOCAL ECONOMIC DEVELOPMENT										
DES 17	IDP 3.2.1 OPMS 47	Create 1650 jobs through various municipal projects / EPWP /CWP/ programmes	To create 315 jobs through Engineering EPWP Programmes	Number of jobs created through Municipal Capital Projects	315 jobs to be created through EPWP	315 jobs created through EPWP to be maintained	315 jobs created through EPWP to be maintained	315 jobs created through EPWP to be maintained	315 jobs to be created through EPWP	R 3 037 000

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No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
KPA 4 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
DES 18	IDP 4.3.2 OPMS 56	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure the construction of speedhumps in Eshowe, Gingindlovu & Mthunzini and budget expenditure by 31 May 2016	Date of budget expenditure for speedhumps in Eshowe, Ging & Mtunzini	0	0	Commence with SCM Processes	Budget to be spent by 31 May 2016	Budget to be spent by 31 May 2016	R 140 000
DES 19			Ensure the construction of Public transport facilities by 31 March 2016	Date of budget expenditure for Public transport facilities	0	Commence with SCM Processes	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 200 000
DES 20			Ensure the construction of Stormwater management facilities by 28 February 2016	Date of budget expenditure for the construction of Stormwater	0	Commence with SCM Processes	Budget to be spent by 28 February 2016	0	Budget to be spent by 28 February 2016	R 1 300 000
DES 21			Ensure Pavement Management and budget expenditure by 28 February 2016	Date of budget expenditure for Pavement Management facilities	0	Commence with SCM Processes	Budget to be spent by 28 February 2016	0	Budget to be spent by 28 February 2016	R 550 000
DES 22			Ensure the construction of sidewalks and budget expenditure by 31 March 2016	Date of budget expenditure for the construction of sidewalks	0	Commence with SCM Processes	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 300 000
DES 23			Ensure the construction of pedestrian wooden bridge and budget expenditure by 30 April 2016	Date of budget expenditure for pedestrian wooden bridge	0	0	Commence with SCM Processes	Budget to be spent by 30 April 2016	Budget to be spent by 30 April 2016	
DES 24			Ensure purchase of Electrical equipment & upgrade of electricity supply and budget expenditure by 31 March 2016	Date of budget expenditure for Electrical equipment & upgrade of electricity supply	0	Commence with SCM Processes	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 2 563 000
DES 25			Ensure the construction of Kwabulawayo Sports facilities and budget expenditure by 30 June 2016	Date of budget expenditure for Kwabulawayo Sports facilities	0	Commence with SCM Processes	0	Budget to be spent by 30 June 2016	Budget to be spent by 30 June 2016	R 8 461 870

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No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DES 26			Ensure the purchase of furniture and equipment and budget expenditure by 31 October 2015	Date of budget expenditure for furniture and equipment	Commence with SCM Processes	Budget to be spent by 31 October 2015	0	0	Budget to be spent by 31 October 2015	
DES 27			Ensure the purchase of machinery and equipment and budget expenditure by 30 September 2015	Date of budget expenditure for machinery and equipment	Budget to be spent by 30 September 2015	Date of budget expenditure for furniture and machinery	0	0	Budget to be spent by 30 September 2015	
DES 28			Ensure the upgrade of community halls and office buildings and budget expenditure by 31 March 2016	Date of budget expenditure for community halls and office buildings	Commence with SCM Processes	0	Budget to be spent by 31 March 2016	0	Budget to be spent by 31 March 2016	R 3 100 000
DES 29			Ensure purchase of Vehicles for all departments and budget expenditure by 31 December 2015	Date of expenditure for purchase of Vehicles for all departments	Commence with SCM Processes	Budget to be spent by 31 December 2015	0	0	Budget to be spent by 31 December 2015	R 5 857 000
GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
DES 30		Development of SMART Organisational Performance Management Systems	Monitor the performance of all Engineering Services staff monthly and ensure that monthly consolidated performance report is submitted to MM	Number of Consolidated Engineering Services staff Performance report submitted to MM	3 Consolidated Engineering Services staff Performance report to be submitted to MM	3 Consolidated Engineering Services staff Performance report to be submitted to MM	3 Consolidated Engineering Services staff Performance report to be submitted to MM	3 Consolidated Engineering Services staff Performance report to be submitted to MM	12 Consolidated Engineering Services staff Performance report to be submitted to MM	R 55 340

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No.	IDP REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DES 31			Monitor the performance of all Service Providers and ensure that monthly reports are attached to invoices	Number of performance assessments reports completed on the assessment for the service provider for rural roads grading	3 reports completed on the performance assessment on the service provider for rural roads grading	3 reports completed on the performance assessment on the service provider for rural roads grading	3 reports completed on the performance assessment on the service provider for rural roads grading	3 reports completed on the performance assessment on the service provider for rural roads grading	12 reports completed on the performance assessment on the service provider for rural roads grading	R 9 504 230
DES 32				Number of performance assessments reports completed on the assessment for the service provider for validator maintenance	3 reports completed on the performance assessment on the service provider for validator maintenance	3 reports completed on the performance assessment on the service provider for validator maintenance	3 reports completed on the performance assessment on the service provider for validator maintenance	3 reports completed on the performance assessment on the service provider for validator maintenance	12 reports completed on the performance assessment on the service provider for validator maintenance	R 9 504 230
DES 33				Number of performance assessments reports completed on the assessment for the service provider for Kangela Street	3 reports completed on the performance assessment on the service provider for Kangela Street upgrade	3 reports completed on the performance assessment on the service provider for Kangela Street upgrade	3 reports completed on the performance assessment on the service provider for Kangela Street upgrade	3 reports completed on the performance assessment on the service provider for Kangela Street upgrade	3 reports completed on the performance assessment on the service provider for Kangela Street upgrade	R 3 760 230
DES 34				Number of performance assessments reports completed on the assessment for the service provider for Osborne road rehabilitation	3 reports completed on the performance assessment on the service provider for Osborne road rehabilitation	3 reports completed on the performance assessment on the service provider for Osborne road rehabilitation	3 reports completed on the performance assessment on the service provider for Osborne road rehabilitation	3 reports completed on the performance assessment on the service provider for Osborne road rehabilitation	12 reports completed on the performance assessment on the service provider for Osborne road rehabilitation	R 5 793 910
DES 35				Number of performance assessments reports completed on the assessment for the service provider for Mtipela road construction	3 reports completed on the performance assessment on the service provider for Mtipela road construction	3 reports completed on the performance assessment on the service provider for Mtipela road construction	3 reports completed on the performance assessment on the service provider for Mtipela road construction	3 reports completed on the performance assessment on the service provider for Mtipela road construction	12 reports completed on the performance assessment on the service provider for Mtipela road construction	R 3 000 000
DES 36				Number of performance assessments reports completed on the assessment for the service provider for Bele road construction	3 reports completed on the performance assessment on the service provider for Bele road construction	3 reports completed on the performance assessment on the service provider for Bele road construction	3 reports completed on the performance assessment on the service provider for Bele road construction	3 reports completed on the performance assessment on the service provider for Bele road construction	12 reports completed on the performance assessment on the service provider for Bele road construction	R 4 047 290
DES 37				Number of performance assessments reports completed on the assessment for the service provider for KDS Bus Route upgrade	3 reports completed on the performance assessment on the service provider for KDS Bus Route upgrade	3 reports completed on the performance assessment on the service provider for KDS Bus Route upgrade	3 reports completed on the performance assessment on the service provider for KDS Bus Route upgrade	3 reports completed on the performance assessment on the service provider for KDS Bus Route upgrade	12 reports completed on the performance assessment on the service provider for KDS Bus Route upgrade	R 11 726 700

2015 /2016 SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) - PLANNING & DEVELOPMENT

No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
					Proj.	Proj.	Proj.	Proj.	PROJ.	
KPA 1 : MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT										
DPD 1	IDP 1.2.1 OPMS 4	To Administer Council, EXCO, Portfolio and staff meetings	To identify training needs within the Planning & Development department & submit to HR for inclusion in WSP	Date of submission of training needs to HR	0	meeting to be held with staff to identify training needs	Training needs of department to be submitted to HR by 31 March 2016	0	Training needs of department to be submitted to HR by 31 March 2016	R 348 480
KPA 2: BASIC SERVICE DELIVERY										
DPD 2	IDP 2.7.1 OPMS 35	Review the Housing Sector Plan by 30 June and submit quarterly reports on implementation of housing projects to Portfolio Committee	Ensure the submission of quarterly reports on implementation of housing projects to Portfolio Committee	Number of reports submitted	1 report to be submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	1 report to be submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	1 report to be submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	1 report to be submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	4 reports to be submitted to Portfolio Committee on alignment of housing with bulk services provision, Housing forum meetings held and transfer of houses to beneficiaries	R20,815
DPD 3			Ensure the review of Housing Sector Plan by 30 June 2016	Date of approval of Housing Sector Plan Review	0	0	0	Housing Sector Plan to be reviewed by 30 June 2016.	Housing Sector Plan to be reviewed by 30 June 2016.	R 250 000
DPD 4			Facilitate bi-monthly housing forum meetings to ensure monitoring of progress on housing projects	No of meetings held	1 Housing Forum meeting to be held	1 Housing Forum meeting to be held	1 Housing Forum meeting to be held	1 Housing Forum meeting to be held	4 meetings to be held	R 48 320
DPD 5			Finalise outstanding transfers to approved beneficiaries	% of transfers finalised	0	50% of transfers finalised	75% of transfers finalised	100% of transfers finalised	100% of transfers finalised	R 48 320
DPD 6	IDP 2.12.1 OPMS 41	To provide for cemetery needs and report to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Ensure the submission of reports to the Portfolio Committee on initiatives implemented for the provision of cemetery needs	Number of reports submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	1 report to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	1 report to be submitted to Portfoli	1 report to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	1 report to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	4 reports to be submitted to Portfolio Committee on initiatives implemented to provide for cemetery needs in the municipal area	R 30 550
DPD 7	IDP 2.8.1 OPMS 36	To provide commuter and trading shelters in KDS & Ging	Ensure the fprovision of trading areas by providing commuter and trading shelters in KDS & Ging by 30 June 2016	Date of completion of Trading Shelters in Osborne Road Eshowe	0	0	0	Trading shelters to be completed by 30 June 2016 in KDS & Ging	Trading shelters to be completed by 30 June 2015 in Osborne Road Eshowe	R 470 000
KPA 3 : LOCAL ECONOMIC DEVELOPMENT										

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DPD 8	IDP 3.1.1 OPMS 44	To ensure that businesses within uMlalazi Municipality are licensed through the LED department	Ensure that a database is developed of all businesses in uMlalazi Municipality area by 30 June 2016	Date of approval of database of licenced businesses in uMlalazi Municipality area	0	0	0	Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2016.	Database of businesses in uMlalazi Municipality to be approved by Council by 30 June 2016.	R 55 340
DPD 9	IDP 3.1.3 OPMS 46	To ensure a fully functional Youth Business Advisory Centre by providing assistance to youth to register co-opts	Ensure Promote Local Economic Development by implementing LED & Tourism initiatives accross Municipal area with available resources and submit reports to the Portfolio Committee	No of reports submitted to Portfolio Committee on assistance provided to Youth through the YBAC	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee	R 200 000
DPD 10	IDP 3.1.2 OPMS 45	To promote Local Economic Development by implementing LED & Tourism initiatives across Municipal area with available resources	Ensure the implementation of LED & Tourism initiatives across Municipal area with available resources and report to the Portfolio Committee	No of reports submitted to Portfolio Committee on the implementation of LED & Tourism initiatives across Municipal area with available resources	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee	R 695 000
KPA 4 : FINANCIAL VIABILITY & MANAGEMENT										
DPD 11	IDP 4.3.2 OPMS 56	Ensure that at least 90% of the Capital budget amount is spent in the municipality by 30 June 2016	Ensure Trading Shelters are constructed in KDS & Gingindlovu by 31 May 2016	Date budget spent on construction of trading shelters in KDS & Ging	0	0	Commence with SCM processes	Budget to be spent by 31 May 2016	Budget to be spent by 31 May 2016	R 1 000 000
DPD 12			Ensure the purchase of furniture and equipment and budget spent by 31 December 2015	Date budget spent on purchase of furniture and equipment	Commence with SCM processes	Budget to be spent by 31 December 2015	0	0	Budget to be spent by 31 December 2015	R 113 000
DPD 13			Ensure the purchase of tractors and budget spent by 31 December 2015	Date budget spent on purchase of tractors	Commence with SCM processes	Budget to be spent by 31 December 2015	0	0	Budget to be spent by 31 December 2015	R 105 000

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No.	IDP/OPMS REF	OBJECTIVES	STRATEGIES	INDICATORS	QUARTER 1 - TOTAL	QUARTER 2 - TOTAL	QUARTER 3 - TOTAL	QUARTER 4 - TOTAL	ANNUAL TARGET	Budget
DPD 14			Ensure the purchase of Irrigation System by 30 November 2015	Date budget spent on purchase of irrigation system	Commence with SCM processes	Budget to be spent by 30 November 2015	0	0	Budget to be spent by 30 November 2015	R 700 000
KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
DPD 15	IDP 5.4.1 oPMS 63	To roll out IDP and Budget public participation through road shows	Ensure public participation through at least 26 IDP road shows by 30 June 2016	Number of Roadshows held	0	0	0	26 IDP Roadshows to be held by 30 June 2016	26 IDP Roadshows to be held by 30 June 2016	R 24 160
KPA 6 : CROSS CUTTING ISSUES										
DPD 16	IDP 6.1.1 OPMS 66	To prepare Land Use Management Scheme for Rural and Urban Areas	Ensure Land Use Management Scheme is prepared for Rural Areas by 30 June 2016	Date of aopproval of LUMS by EXCO	0	0	0	LUMS to be approved by EXCO by 30 June 2016	LUMS to be approved by EXCO by 30 June 2016	R 1 000 000
DPD 17	IDP 6.1.2 OPMS 67	To participate in the management of the coast via the Coastal Management Working Group	Report to Portfolio Committee on the management of the coast via the Coastal Management Working Group	No of reports submitted to Portfolio Committee on management of the coast via the Coastal Management Working Group	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	1 report to be submitted to Portfolio Committee	4 reports to be submitted to Portfolio Committee	R 3 060
DPD 18	IDP 6.1.3 OPMS 68	To develop uMlalazi IDP	Ensure the uMlalazi IDP is approved by 30 June 2016	Date of adoption of IDP by Council	0	0	0	2015/2016 IDP to be approved by Council by 30 June 2016	0	R 55 340
DPD 19	IDP 6.1.4 OPMS 69	To develop a database of Municipal owned land	Ensure database of Municipal owned land is approved by EXCO by 30 June 2016.	Date of approval of Municipal land databse by EXCO.	0	0	0	Database of Municipal land to be approved by EXCO by 30 June 2016.	Database of Municipal land to be approved by EXCO by 30 June 2016.	R 55 340